Creating Value

Annual Report 2015

ATS Creates Value

ATS' automation solutions enable customers to build the products that businesses and consumers rely on today and those that will transform markets tomorrow.

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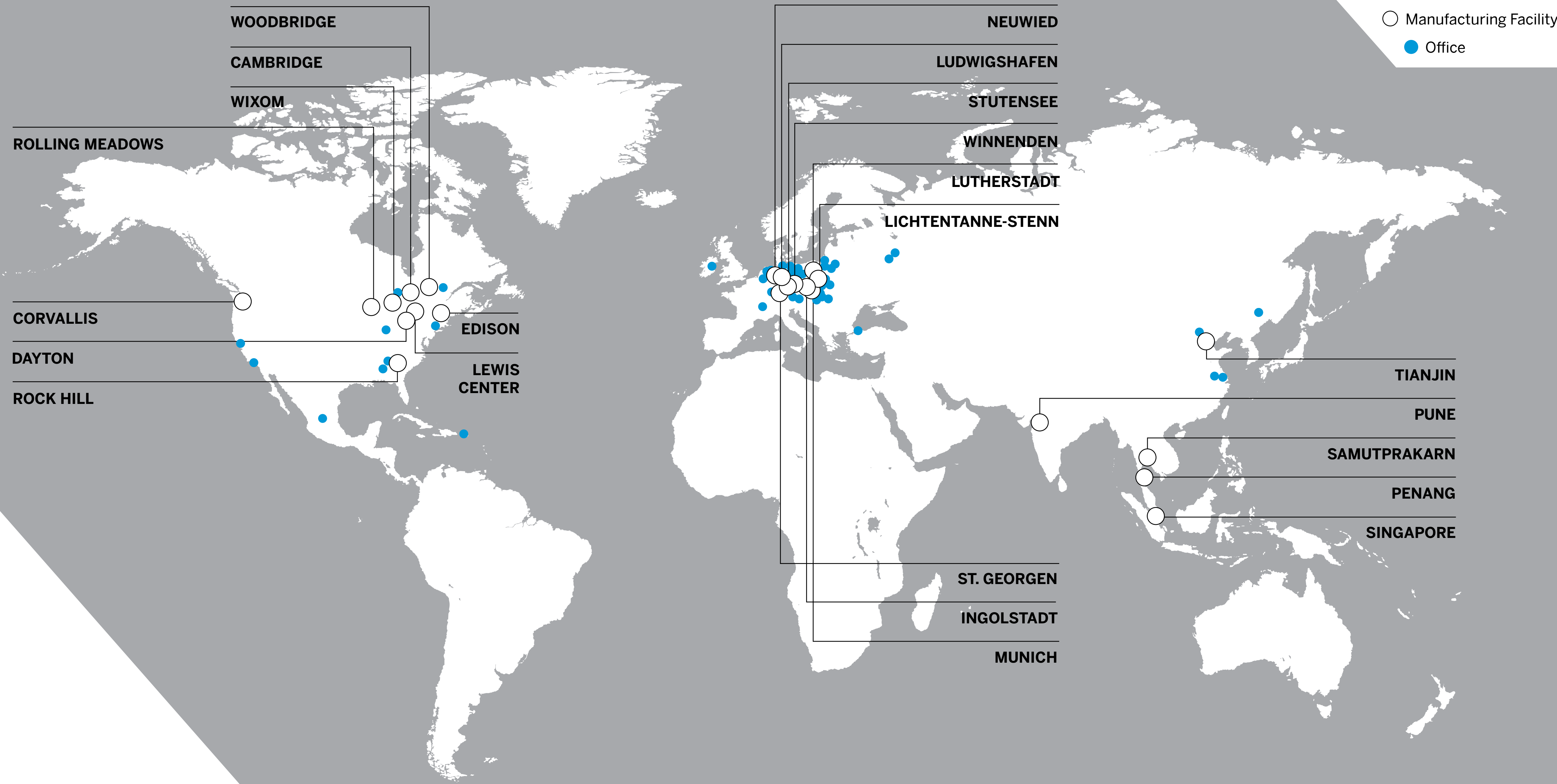
ATS
Worldwide

ATS leverages its competitive advantages, including a 35+ year track record as a standard-setter in automation and its global resources, to win business across diverse markets and create value for customers and shareholders.



GLOBAL FOOTPRINT
26 manufacturing facilities and 47 offices in North America, Europe, Southeast Asia and China

EXPERIENCE
Successful completion of over 22,000 projects worldwide with cross-industry synergies

INNOVATION
A world leader in creating benchmark automation solutions across diverse sectors

SCALE
A knowledge base that includes 3,500 employees and a vast network of highly skilled partners and suppliers

RECOGNIZED BRANDS
Known worldwide under the brands ATS, PA, sortimat, ATW and IWK as a trusted supplier

ADVANCED TECHNOLOGIES
Vision inspection, laser processing, robotics, dispensing, material handling, high-performance tube filling and cartoning, and test and control systems for multiple applications

FINANCIAL STRENGTH
Qualified as a strong, long-term partner for customers with the financial capacity and commitment to continuously innovate, serve and create value

ATS Capabilities

ATS leverages end-to-end capabilities to create value for customers from the earliest stages of planning through to production ramp up and beyond to manufacturing system maintenance. Whether acting as the Main Automation Contractor providing enterprise solutions or working at the device level, ATS leverages over 35 years of experience to provide a superior return on investment.

Pre Automation

DISCOVERY AND ANALYSIS

Investigating and assessing product design, market prospects, regulatory requirements and potential staffing needs to arrive at optimal manufacturing strategies

CONCEPT DEVELOPMENT AND SIMULATION

Simulating manufacturing plant and line concepts to illustrate spatial relationships including material flow, predict throughput, production costs and project scope/scale and lower execution risk

Automation/ Integration

DESIGN BUILD

Innovating to create new solutions where existing commercial options are unavailable and integrating industry-leading technologies from ATS and third parties to achieve optimal results

BUILD TO PRINT

Codeveloping advanced equipment manufacturing systems and programs with customers based on their specifications, drawings and work instructions

SUPPLY CHAIN MANAGEMENT

Leveraging ATS global resources, pre-qualifying and continuously monitoring external suppliers to ensure reliable, efficient and cost-effective delivery of components and parts

PROCESS CONTROL AND SOFTWARE INTEGRATION

Integrating Manufacturing Execution Systems with Enterprise Resource Planning and Supervisory Control and Data Acquisition technologies to automate, control and optimize processes and production output

Post Automation

COMMISSIONING AND VALIDATION

Expertly installing equipment on the factory floor and ensuring all critical system and performance attributes are tested, documented, and achieved at start up

SUPPORT AND TRAINING

Transferring knowledge through class-room and on-site mentoring to ensure customers have the skills to operate equipment safely and productively

LIFECYCLE MANAGEMENT

Factory optimization, remote monitoring, retrofitting, upgrading and relocating equipment, providing preventive and emergency maintenance and parts supply to extend system life and enhance manufacturing performance

Advancing technologies in life sciences manufacturing and production

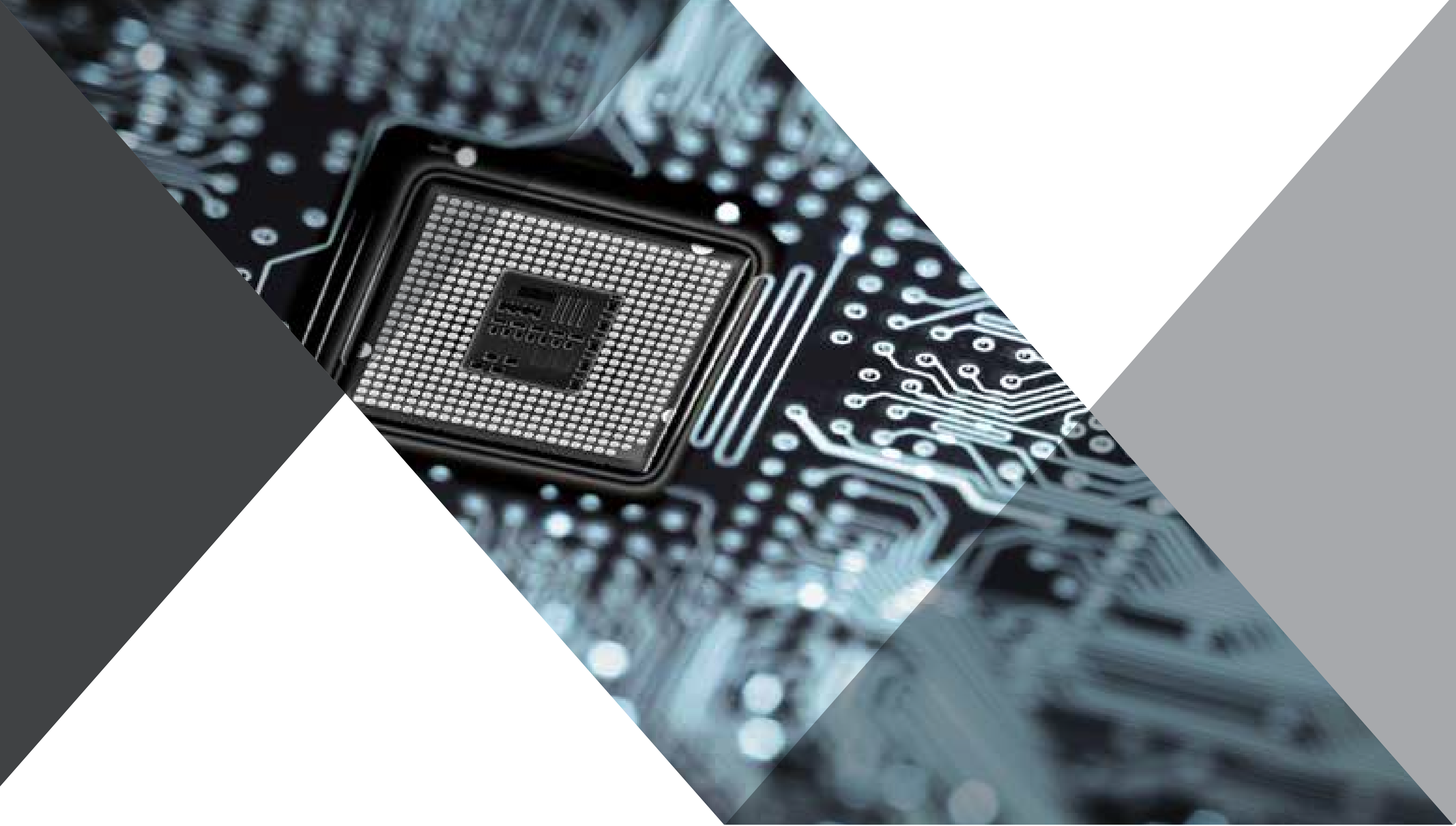
ATS employs its industry-leading expertise, proven capabilities and good manufacturing practices to serve the specialized needs of biotechnology, pharmaceutical and medical device producers. By combining our high-speed assembly technologies, high-performance dispensing, tube filling and cartoning machines, Quality Management Systems including vision inspection, integration know-how, and lifecycle support, ATS assists the world's leaders in life sciences quickly and safely, and cost-effectively develop and launch innovative programs, automate pharmaceutical and vaccine production and produce medical and diagnostic devices that improve public health on a global scale.

Driving efficiency and innovations in transportation manufacturing

ATS is a trusted partner for automotive, aerospace and heavy equipment manufacturers and their suppliers on a global basis. These customers rely on ATS for high-speed, high-accuracy, and cost-effective assembly, inspection, testing and laser-based processing systems as well as full lifecycle management as they automate steering, drivetrain and electronic components used in hybrid, electric and conventional vehicles, produce critical aerospace components and manufacture heavy machines.

Developing leading technologies for energy production and chemical processing

ATS applies its proven capabilities to enable the safe and efficient handling and production of devices and components used in nuclear, chemical, oil and gas, solar, water and waste water treatment industries. With experience in automating systems used to harvest fossil fuels, refurbish nuclear fuel rods and produce fuel cells, alternative energies, smart grid and energy management components and batteries, ATS is a reliable source for customers worldwide who need specialized end-to-end support to meet their production goals and regulatory commitments.



Delivering consistent solutions for consumer products and food production

ATS serves food, beverage, personal care and electronics industries by providing total solutions that ensure consistent product quality, from the first unit of production to the last. Brand leaders rely on ATS for flexible manufacturing platforms including high-speed assembly, web handling, tube filling, testing and cartoning systems as well as the expert pre- and post-automation knowledge they need to bring their proven products and market-disrupting innovations to consumers quickly and cost effectively around the world.

Fellow Shareholders,

Since my letter of a year ago, ATS has taken a number of significant steps to advance its value creation plan. Of note we;

- completed the acquisition of a highly complementary engineering services and solutions company, M+W Process Automation GmbH and ProFocus LLC, (collectively "PA");
- strengthened ATS' capital structure and financial flexibility, through the Company's new larger and more flexible $750 million credit facility, and more recently, a private offering of US$250 million of 6.50% senior notes; and,
- completed the final sales of our solar assets.

These positive developments reflect the continued execution of the grow phase of ATS' value creation plan that we implemented in June 2012, (following our successful execution of the fix and separate phases). Our plan is designed to generate outstanding value for our customers, superior financial returns to our shareholders and a premier work environment for our employees.

The value creation plan has three elements, Grow, Expand and Scale:

GROW: through the provision of value-based programs and enterprise solutions built on differentiated technical solutions and value-based outcomes and global capabilities.

EXPAND: our offerings in the areas of engineering (design, modelling, simulation and program management), products (contract manufacturing, automation and other manufacturing products) and services (pre and post automation, training, lifecycle material management and other value-added services).

SCALE: leverage our demonstrated ability to acquire and improve businesses targeted based on their ability to bring market or technology leadership, scale, or opportunity, whether in markets we currently serve, or in new segments that have attractive characteristics, such as high barriers to entry, time-critical requirements, negative consequences for non-delivery and onerous regulations.

FISCAL 2015 HIGHLIGHTS

Fiscal 2015 was a successful year in which ATS achieved several significant strategic milestones. ATS grew substantially during the year while also completing the final divestiture of solar assets.

On July 8, 2014 we announced the acquisition of PA, a leading global provider of engineering-based automation services and solutions, aligned to our strategy of scaling our position in the global automation market. PA officially joined the ATS family on September 1, 2014.

PA addresses the needs of manufacturing and process-based industries including those traditionally served by ATS including automotive and pharmaceutical and those new to us such as biotechnology, chemicals, oil, gas and food. Its services include consulting, system engineering, integration, lifecycle management, process control and manufacturing execution systems, as well as enterprise programs where PA acts as the main automation contractor. PA expanded ATS' markets, customer penetration and capability, added a capable management team and workforce across 51 locations in 16 countries and is now serving as an integrated platform for accelerating ATS' organic growth.

PA engages customers on a comprehensive "first responder" basis because it imbeds engineers, and service and sales professionals in customer operations. Its early insights into customer preferences, developments, problems and programs improve our business prospects and its experience in providing on-site service and maintenance further our objective of growing our after-sales service business.

Since completing the acquisition, we have broadened our joint approach to market and sales. Our combined service offerings now provide a meaningful organic growth opportunity and we will take those offerings to ATS' large installed base, current customers and future ones.

Initial contributions from PA, a full year of results from IWK (acquired midway through the previous fiscal year) and organic growth produced strong financial performance in fiscal 2015.

Revenues from continuing operations were $936.1 million, 37% higher than prior year. Adjusted earnings from operations grew to $109.8 million, a 12% operating margin, reflecting improved program execution, higher revenues and lower stock-based compensation costs.

Order Bookings grew 38% to an all-time record of $981 million. Order Bookings were broad based as a result of our diversified market presence and broad capabilities and included value-based enterprise programs for market-leading customers.

Order Backlog grew 33% to a record $632 million. Order Backlog is larger, longer in duration and approximately one quarter relates to engineering and after-sales services that are largely decoupled from capital spending cycles. Consequently, ATS has a strong foundation to start fiscal 2016.

Recently, on June 17, 2015, we completed the sale of US$250 million 6.50% senior notes, with the proceeds used to repay amounts outstanding under our senior secured credit facility and for general corporate purposes. The notes mature in 2023 and provide a secure source of non-dilutive funding.

SUMMARY

ATS has made considerable progress. Our annual revenue run rate is now over a billion dollars. Our profit margins are strong. We have a large platform of well-connected capabilities to pursue growth by offering machines, systems, enterprise solutions and services.

In an industry with many small and medium-sized companies, ATS has a significant presence. We also have many opportunities for continued business expansion and value creation. Accordingly, we remain active in targeting companies for acquisition. This strategy has served ATS well as we have successfully integrated four acquisitions in the past five years and capitalized on the resulting synergies to drive organic growth, improve operational leverage and achieve earnings accretion.

The significance of a business can be measured in several ways. For ATS, it is reflected in ethics and governance, financial metrics, leading market share, the scope of our capabilities, and most of all, in the nature of our customer relationships. Today, our significance as a supplier to market-leading customers has never been greater. We provide mission-critical solutions to more customers in more industries than ever before.

In closing, our value-creation plan is working and for that, I thank all stakeholders, especially the 3,500 dedicated ATS employees whose contributions are critical to our performance and the effective execution of our strategy. I am confident that through our collective efforts, ATS will continue to deliver results in the years ahead.

Anthony Caputo
Chief Executive Officer

Management's Discussion and Analysis

FOR THE YEAR ENDED MARCH 31, 2015

This Management's Discussion and Analysis ("MD&A") for the year ended March 31, 2015 (fiscal 2015) is as of May 20, 2015 and provides information on the operating activities, performance and financial position of ATS Automation Tooling Systems Inc. ("ATS" or the "Company") and should be read in conjunction with the audited consolidated financial statements of the Company for fiscal 2015 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. Additional information is contained in the Company's filings with Canadian securities regulators, including its Annual Information Form, found on SEDAR at www.sedar.com and on the Company's website at www.atsautomation.com.

NOTICE TO READER: NON-IFRS MEASURES AND ADDITIONAL IFRS MEASURES: Throughout this document management uses certain non-IFRS measures to evaluate the performance of the Company. These terms do not have any standardized meaning prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. The terms "operating margin", "EBITDA", "EBITDA margin", "adjusted earnings from operations", "adjusted basic earnings per share from continuing operations", "Order Bookings" and "Order Backlog" do not have any standardized meaning prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. Such measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. In addition, management uses "earnings from operations" which is an additional IFRS measure to evaluate the performance of the Company. Earnings from operations is presented on the Company's consolidated statements of income as net income from continuing operations excluding income tax expense and net finance costs. Operating margin is an expression of the Company's earnings from operations as a percentage of revenues. EBITDA is defined as earnings from operations excluding depreciation and amortization (which includes amortization of intangible assets). EBITDA margin is an expression of the Company's EBITDA as a percentage of revenues. Adjusted earnings from operations is defined as earnings from operations before items excluded from management's internal analysis of operating results, such as amortization expense of acquisition-related intangible assets, acquisition-related transaction and integration costs, restructuring charges, and certain other adjustments which would be non-recurring in nature ("adjustment items"). Adjusted basic earnings per share from continuing operations is defined as adjusted net income from continuing operations on a basic per-share basis, where adjusted net income from continuing operations is defined as adjusted earnings from operations less net finance costs and income tax expense, plus tax effects of adjustment items. Order Bookings represent new orders for the supply of automation systems, services and products that management believes are firm. Order Backlog is the estimated unearned portion of revenues on customer contracts that are in process and have not been completed at the specified date. Earnings from operations and EBITDA are used by the Company to evaluate the performance of its operations. Management believes earnings from operations is an important indicator in measuring the performance of the Company's operations on a pre-tax basis and without consideration as to how the Company finances its operations. Management believes that EBITDA is an important indicator of the Company's ability to generate operating cash flows to fund continued investment in its operations. Management believes that adjusted earnings from operations and adjusted basic earnings per share from continuing operations are important measures to increase comparability of performance between periods. The adjustment items used by management to arrive at these metrics are not considered to be indicative of the business's ongoing operating performance. Order Bookings provides an indication of the Company's ability to secure new orders for work during a specified period, while Order Backlog provides a measure of the value of Order Bookings that have not been completed at a specified point in time. Both Order Bookings and Order Backlog are indicators of future revenues the Company expects to generate based on contracts that management believes to be firm. Management believes that ATS shareholders and potential investors in ATS use these IFRS measures and non-IFRS financial measures in making investment decisions and measuring operational results. EBITDA should not be construed as a substitute for net income determined in accordance with IFRS. Adjusted earnings from operations is not necessarily indicative of earnings from operations or cash flows from operations as determined under IFRS and may not be comparable to similar measures presented by other companies.

A reconciliation of (i) earnings from operations and EBITDA to net income from continuing operations for the three and twelve month periods ending March 31, 2015 and March 31, 2014; and (ii) adjusted earnings from operations and adjusted basic earnings per share from continuing operations to net income from continuing operations and basic earnings per share from continuing operations for the three and twelve month periods ending March 31, 2015 and March 31, 2014 is contained in this MD&A (see "Reconciliation of Non-IFRS Measures to IFRS Measures"). A reconciliation of Order Bookings and Order Backlog to total Company revenues for the three and twelve month periods ending March 31, 2015 and March 31, 2014 is also contained in the MD&A (see "Order Backlog Continuity").

COMPANY PROFILE: ATS is an industry-leading automation solutions provider to many of the world's most successful companies. ATS uses its extensive knowledge base and global capabilities in custom automation, repeat automation, automation products and value-added services including pre-automation and after-sales services to address the sophisticated manufacturing automation systems and service needs of multinational customers in markets such as life sciences, chemicals, consumer products, electronics, food, beverage, transportation, energy, and oil and gas. Founded in 1978, ATS employs approximately 3,500 people at 26 manufacturing facilities and 47 offices in North America, Europe, Southeast Asia and China.

Value Creation Strategy

TO DRIVE VALUE CREATION, THE COMPANY IMPLEMENTED A THREE-PHASE STRATEGIC PLAN

1. Fix the business (improve the existing operations, gain operating control of the business and earn credibility);
2. Separate the businesses (create a standalone automation business, monetize non-core assets and strengthen the balance sheet); and
3. Grow (both organically and through acquisition).

Having completed the first two phases of the plan, including the separation of Solar which led to the final divestiture of the Company's remaining solar assets in fiscal 2015 (see "Discontinued Operations: Solar"), the Company is focused on the growth phase of its value creation strategy: Grow, Expand and Scale. The strategy is designed to leverage the strong foundation of ATS' core automation business, continue the growth and development of ATS and create value for all stakeholders.

GROW: To further the Company's organic growth, ATS will continue to target providing comprehensive, value-based programs and enterprise solutions for customers built on differentiating technological solutions, value of customer outcomes achieved and global capability.

EXPAND: The Company seeks to expand its offering of products and services to the market. The Company intends to build on its automation systems business to offer: engineering, including design, modelling and simulation, and program management; products, including contract manufacturing, automation and other manufacturing products; and services, including pre automation, post automation, training, lifecycle material management, and other services.

SCALE: The Company is committed to growth through acquisition and management believes that the Company has the organizational structure, business processes and experience to successfully integrate acquired companies. Acquisition targets are evaluated on their ability to bring ATS market or technology leadership, scale and/or a market opportunity. For each of ATS' markets, the Company has analyzed the capability value chain and made a grow-team or acquire decision. Financially, targets are reviewed on a number of criteria including their potential to add accretive earnings to current operations. To date, ATS has successfully acquired four complementary and accretive businesses: sortimat Group ("sortimat") on June 1, 2010; Assembly & Test Worldwide ("ATW") on January 5, 2011; IWK Verpackungstechnik and Oystar IWK USA, Inc. ("IWK") on September 30, 2013 and M+W Process Automation GmbH and ProFocus LLC (collectively "Process Automation Solutions" or "PA") on September 1, 2014.

Business Acquisition – PA

PA is a leading global provider of engineering-based automation services and solutions focused on the control, performance monitoring and measurement of critical production processes. The acquisition is aligned with ATS' stated strategy of scaling its position in the global automation market by adding to its services and lifecycle management capabilities across several core elements of the customer value chain. PA adds to the Company's growth opportunities both in new markets, including biotechnology, food, beverage, water, wastewater, oil and gas, paper, metal and semiconductor and with existing customers in automotive, pharmaceuticals and consumer products. PA's largest geographic markets are Europe and North America.

Cash consideration paid for PA was $355 million (245 million Euro), which was net of $11.8 million of cash acquired and includes $3 million (2 million Euro) paid in May 2015. The cash consideration of the purchase price was funded from the Company's $750 million senior secured credit facility (see "Liquidity, Cash Flow and Financial Resources"). The acquisition has been accounted for as a business combination with the Company as the acquirer of PA. The purchase method of accounting has been used and the earnings of PA were consolidated beginning from the acquisition date.

Included in the PA acquisition was the acquisition of a majority interest in a PA subsidiary, M+W Advanced Applications GmbH. On January 15, 2015, the Company increased its ownership from 74% to 100% of the subsidiary. The total cash consideration to be paid in respect of this increased ownership is expected to be $4.4 million (3.2 million Euro), which includes expected future payments of $1.3 million (1.0 million Euro) which are payable and subject to upward and downward adjustment of up to 50% of the expected future payments based on the achievement of certain operating performance targets over the next two years. For additional information on the acquisition of PA, refer to note 5 of the consolidated financial statements.

BUSINESS OVERVIEW

ATS is an industry-leading automation solutions provider to some of the world's largest multinational companies. ATS has expertise in custom automation, repeat automation, automation products and value-added services including pre automation and after-sales services.

ATS serves customers in the following markets: life sciences, chemicals, consumer products, electronics, food, beverage, transportation, energy, and oil and gas. With broad and in-depth knowledge across multiple industries and technical fields, ATS is able to deliver single-source solutions to customers that can lower their production costs, accelerate delivery of their products, and improve quality control. ATS's relationships with customers may begin with planning and feasibility studies. In situations where the customer is seeking in-depth analysis before committing to a program, ATS conducts an analysis to verify the economics and feasibility of different types of automation, sets objectives for factors such as line speed and yield, assesses production processes for manufacturability and calculates the total cost of ownership. ATS engages with customers on both greenfield programs, such as equipping new factories, and brownfield programs such as capacity expansions, line moves, equipment upgrades, software upgrades, efficiency improvements and factory optimization.

When a contract for an automation solution is received, ATS may provide a number of services, including engineering design, prototyping, process verification, specification writing, software development, automation simulation, equipment design and build, third-party equipment qualification, procurement and integration, automation system installation, product line start-up, documentation, customer training and after-installation support, maintenance and service. Following the installation of custom automation, ATS may supply duplicate or "repeat" automation systems to customers that leverage engineering design completed in the original customer program. For customers seeking complex equipment replication, ATS provides value engineering, supply chain management, integration and manufacturing capabilities and other automation products and solutions.

Contract values for individual automation systems vary and are often in excess of $1 million, with some contracts for enterprise-type programs well in excess of $10 million. Due to the custom nature of customer projects, contract durations vary, with typical durations ranging from six to 12 months, and some larger contracts extending up to 18 to 24 months. Contract values for pre-automation services and post-automation services range in value and can exceed $1 million with varying durations which can sometimes extend over a number of years.

COMPETITIVE STRENGTHS

Management believes ATS has the following competitive strengths:

GLOBAL PRESENCE, SIZE AND CRITICAL MASS: ATS's global presence and scale provide an advantage in serving multinational customers. The markets in which the Company operates are served primarily by competitors with narrow geographic and/or industrial market reach. ATS has manufacturing operations in Canada, the United States, Germany, China, Malaysia, Thailand and India. Through PA, ATS can deliver localized service through a network of 47 offices located around the world. Management believes that ATS's scale and global footprint provide it with competitive advantages in winning large, multinational customer programs that have become increasingly common in the industry.

TECHNICAL SKILLS, CAPABILITIES AND EXPERIENCE: Automation manufacturing is a knowledge-based business. ATS has designed, manufactured, assembled and serviced over 22,000 automation systems worldwide and has an extensive knowledge base and accumulated design experience. Management believes ATS' broad experience in many different industrial markets with diverse technologies, its talented workforce which includes over 1,400 engineers and over 200 program management personnel, and its ability to provide custom automation, repeat automation, automation products and value-added services, position the Company well to serve complex customer programs in a variety of markets.

RECOGNIZED BRANDS: Management believes ATS is well known within the global automation industry due to its long history of innovation and broad scope of operations. In addition, ATS' subsidiaries include several strong brands: "sortimat", which specializes in the life sciences market; "ATW", which specializes in the transportation market; and "IWK" which specializes in the packaging market. Management believes that ATS' brand names and global reputation improve sales prospecting, allowing the Company to be considered for a wide variety of customer programs.

PRODUCT AND TECHNOLOGY PORTFOLIO: Through its history of bringing thousands of unique automation projects to market, ATS and its subsidiaries, including sortimat, ATW and IWK, have developed an extensive product and technology portfolio, including manufacturing vision technologies, numerous material handling and feeder technologies, high-accuracy and high-precision laser processing technologies, and high-performance tube filling and cartoning technologies. Management believes this extensive product and technology portfolio gives the Company an advantage in developing unique and leading solutions for customers and maintaining cost competitiveness.

TRUSTED CUSTOMER RELATIONSHIPS: ATS serves some of the world's largest multinational companies. Most ATS customers are repeat customers and many have long-standing relationships with ATS, often spanning more than a decade. Management estimates that approximately 90% of ATS Order Bookings in fiscal 2015 were placed by repeat customers.

TOTAL-SOLUTIONS CAPABILITIES: Management believes the Company gains competitive advantages because ATS provides total turn-key solutions in automation. This allows customers to single source their most complex projects to ATS rather than rely on multiple equipment builders. In addition, ATS can provide customers with other value-added services including pre-automation consulting, total cost of ownership studies, lifecycle material management, post-automation service, and training and support. The addition of PA has expanded and strengthened ATS capabilities in a number of areas including process control, software integration, manufacturing execution systems ("MES"), remote monitoring, lifecycle management, modelling, simulation and product support.

Overview

OPERATING RESULTS FROM CONTINUING OPERATIONS

Results from continuing operations comprise the results of ATS' continuing operations and corporate costs not directly attributable to Solar. The results of the Solar segment are reported in discontinued operations.

CONSOLIDATED REVENUES FROM CONTINUING OPERATIONS *(In millions of dollars)*

Revenues by market		Q4 2015		Q4 2014		Fiscal 2015		Fiscal 2014
Consumer products and electronics	**$**	**38.9**	$	34.8	**$**	**165.1**	$	91.6
Energy		**16.9**		15.9		**63.3**		46.6
Life sciences		**138.8**		81.2		**393.1**		288.7
Transportation		**94.8**		68.8		**314.6**		256.5
Total revenues from continuing operations	**$**	**289.4**	$	200.7	**$**	**936.1**	$	683.4

Revenues by installation location		Q4 2015		Q4 2014		Fiscal 2015		Fiscal 2014
North America	**$**	**151.9**	$	107.2	**$**	**450.4**	$	328.5
Europe		**96.7**		55.3		**330.1**		192.4
Asia/Other		**40.8**		38.2		**155.6**		162.5
Total revenues from continuing operations	**$**	**289.4**	$	200.7	**$**	**936.1**	$	683.4

FOURTH QUARTER: Fourth quarter fiscal 2015 revenues were 44% higher than in the corresponding period a year ago primarily reflecting $70.5 million of revenues earned by PA. Excluding PA, fourth quarter revenues were $218.9 million, a 9% increase compared to the corresponding period a year ago primarily reflecting higher Order Bookings in the last three quarters of the fiscal year and the timing of the build cycle on certain larger programs. Foreign exchange rate changes also positively impacted the translation of revenues earned by foreign-based subsidiaries compared to the corresponding period a year ago, primarily reflecting the weakening of the Canadian dollar relative to the U.S. dollar.

By market, fourth quarter revenues from consumer products and electronics increased by 12%, primarily on higher Order Bookings. Revenues generated in energy markets increased 6% compared to the corresponding period a year ago, primarily due to increased activity in the nuclear energy market. Revenues generated in life sciences markets increased 71%, primarily on revenues from PA. Transportation revenues increased 38% primarily due to revenues earned by PA.

FULL YEAR: Fiscal 2015 revenues were 37% higher than in the prior fiscal year primarily reflecting revenues of $151.5 million generated by PA since acquisition and $70.3 million of IWK revenues earned in the first six months of fiscal 2015 (IWK was acquired mid-way through fiscal 2014 on September 30, 2013 and contributed for the full fiscal 2015 period). Excluding PA and IWK (for the first six months of fiscal 2015), revenues were $714.3 million, a 5% increase over the corresponding period a year ago. Foreign exchange rate changes positively impacted the translation of revenues earned by foreign-based subsidiaries compared to a year ago, primarily reflecting the weakening of the Canadian dollar relative to the Euro and U.S. dollar.

By market, revenues from consumer products and electronics increased by 80%, primarily on revenues from acquisitions. Revenues generated in energy markets increased 36% primarily on higher Order Backlog entering fiscal 2015 due largely to increased activity in the nuclear energy market and revenue contributions from PA. Revenues generated in life sciences markets increased 36% primarily on revenues from acquisitions. Transportation revenues increased 23% primarily due to revenues earned by PA.

CONSOLIDATED OPERATING RESULTS *(In millions of dollars)*

		Q4 2015		Q4 2014		Fiscal 2015		Fiscal 2014
Earnings from operations	**$**	**22.6**	$	17.2	**$**	**67.0**	$	61.0
Amortization of acquisition-related intangible assets		**9.1**		3.8		**28.1**		9.2
Acquisition-related transaction and integration costs		**1.6**		0.2		**13.3**		3.2
Restructuring charges		**1.4**		1.0		**1.4**		6.1
Other non-recurring items [1]		**—**		—		**—**		(4.3)
Adjusted earnings from operations [2]	**$**	**34.7**	$	22.2	**$**	**109.8**	$	75.2

(1) Gain from the recovery of costs related to programs acquired in a previous acquisition, which is non-recurring in nature.
(2) See "Notice to Reader: Non-IFRS Measures and Additional IFRS Measures."

CONSOLIDATED OPERATING RESULTS *(In millions of dollars)*

		Q4 2015		Q4 2014		Fiscal 2015		Fiscal 2014
Earnings from operations	**$**	**22.6**	$	17.2	**$**	**67.0**	$	61.0
Depreciation and amortization		**12.6**		6.3		**40.5**		18.4
EBITDA [1]	**$**	**35.2**	$	23.5	**$**	**107.5**	$	79.4

(1) See "Notice to Reader: Non-IFRS Measures and Additional IFRS Measures."

FOURTH QUARTER: Fiscal 2015 fourth quarter earnings from operations were $22.6 million (8% operating margin) compared to $17.2 million (9% operating margin) in the fourth quarter a year ago. Fourth quarter fiscal 2015 earnings from operations included $1.6 million of incremental costs related to the Company's acquisition activity, $1.4 million of restructuring and severance costs, and amortization expenses of $9.1 million related to amortization of identifiable intangible assets recorded on the acquisitions of PA, IWK, ATW and sortimat. Excluding these costs, fourth quarter fiscal 2015 adjusted earnings from operations were $34.7 million (12% margin), compared to adjusted earnings from operations of $22.2 million (11% margin) a year ago. Higher adjusted earnings from operations primarily reflected the inclusion of PA and improved program execution.

Depreciation and amortization expense was $12.6 million in the fourth quarter of fiscal 2015, compared to $6.3 million a year ago, primarily due to a $6.2 million increase in amortization as a result of the addition of identifiable intangible assets recorded on the acquisition of PA.

EBITDA was $35.2 million (12% margin) compared to $23.5 million (12% margin) in the fourth quarter of fiscal 2014. Excluding $1.6 million of acquisition-related costs and restructuring and severance costs of $1.4 million, fourth quarter fiscal 2015 EBITDA was $38.2 million (13% margin). Comparably, excluding $0.2 million of acquisition-related costs and restructuring and severance costs of $1.0 million, fourth quarter fiscal 2014 EBITDA was $24.7 million (12% margin).

FULL YEAR: Earnings from operations were $67.0 million (7% operating margin) compared to $61.0 million (9% operating margin) a year ago. Earnings from operations included $13.3 million of incremental costs related to the Company's acquisition activity, $1.4 million of restructuring and severance costs, and amortization expenses of $28.1 million related to amortization of identifiable intangible assets recorded on the acquisitions of PA, IWK, ATW and sortimat. Excluding these costs, adjusted earnings from operations were $109.8 million (12% operating margin), compared to adjusted earnings from operations of $75.2 million (11% operating margin) in the corresponding period a year ago. Higher adjusted earnings from operations primarily reflected better program execution, higher revenues, lower stock-based compensation expenses and the inclusion of IWK and PA.

Depreciation and amortization expense was $40.5 million in fiscal 2015 compared to $18.4 million a year ago, primarily due to the addition of identifiable intangible assets recorded on the acquisitions of IWK and PA.

EBITDA was $107.5 million (11% EBITDA margin) compared to $79.4 million (12% EBITDA margin) in fiscal 2014. Excluding acquisition-related costs and restructuring and severance costs, fiscal 2015 EBITDA was $122.2 million (13% margin). Excluding acquisition-related costs, restructuring charges and the one-time gain from the recovery of costs related to programs acquired in a previous acquisition, fiscal 2014 EBITDA was $84.4 million (12% margin).

ORDER BOOKINGS BY QUARTER *(In millions of dollars)*

	Fiscal 2015	Fiscal 2014
Q1	**$ 161**	$ 165
Q2	**216**	110
Q3	**287**	237
Q4	**317**	197
Total Order Bookings	**$ 981**	$ 709

FOURTH QUARTER: Fourth quarter fiscal 2015 Order Bookings were $317 million, a 61% increase from the fourth quarter of fiscal 2014, primarily reflecting $70 million of Order Bookings generated by PA. Excluding PA, Order Bookings were $247 million, a 25% increase from the corresponding period a year ago. Strength in transportation, life sciences and energy markets more than offset lower activity in consumer products and electronics markets. Foreign exchange rate changes positively impacted the translation of Order Bookings from foreign-based ATS subsidiaries compared to the corresponding period a year ago.

FULL YEAR: Fiscal 2015 Order Bookings were $981 million, a 38% increase from prior year Order Bookings of $709 million. Excluding PA and IWK (for the first six months of fiscal 2015), Order Bookings were $774 million, a 9% increase over the corresponding period a year ago. Strength in life sciences and transportation markets was partially offset by lower activity in consumer products and electronics and energy markets. Foreign exchange rate changes also positively impacted the translation of Order Bookings from foreign-based ATS subsidiaries compared to fiscal 2014.

ORDER BACKLOG CONTINUITY *(In millions of dollars)*

	Q4 2015	Q4 2014	**Fiscal 2015**	Fiscal 2014
Opening Order Backlog	**$ 602**	$ 467	**$ 474**	$ 398
Revenues	**(289)**	(201)	**(936)**	(683)
Order Bookings	**317**	197	**981**	709
Order Backlog adjustments [1]	**2**	11	**113**	50
Total	**$ 632**	$ 474	**$ 632**	$ 474

(1) Fiscal 2015 Order Backlog adjustments include foreign exchange adjustments, order cancellations and incremental Order Backlog of $131 million acquired with PA. Fiscal 2014 Order Backlog adjustments included foreign exchange adjustments, order cancellations and incremental Order Backlog of $45 million acquired with IWK.

ORDER BACKLOG BY MARKET *(In millions of dollars)*

	Fiscal 2015	Fiscal 2014
Consumer products and electronics	**$ 64**	$ 79
Energy	**53**	55
Life sciences	**255**	170
Transportation	**260**	170
Total	**$ 632**	$ 474

At March 31, 2015, Order Backlog was $632 million, 33% higher than at March 31, 2014. Higher Order Backlog primarily reflected the addition of PA as well as higher Order Bookings in life sciences and transportation markets, partially offset by lower Order Bookings in consumer products and electronics and energy markets.

OUTLOOK

The global economic environment has continued to show signs of volatility, and uncertainty remains. In North America, U.S. economic growth has slowed, and Canada's growth remains weak. Economic growth continues to decelerate in China and other parts of Asia. In Europe, markets remain weak, which has the potential to negatively impact demand, particularly for the Company's European operations, and may add to volatility in Order Bookings. Overall, a prolonged or more significant downturn in an economy where the Company operates could negatively impact Order Bookings. Impacts on demand for the Company's products and services may lag behind global macroeconomic trends due to the strategic nature of the Company's programs to its customers and long lead times on projects.

Many customers remain cautious in their approach to capital investment; however, activity in the life sciences and transportation markets has remained strong. The Company has seen strength in energy markets such as nuclear; however, the solar energy market remains weak due to reductions in solar feed-in-tariffs. Activity in the consumer products and electronics market has improved.

The Company's sales organization continues to work to engage with customers on enterprise-type solutions. The Company expects that this will provide ATS with more strategic relationships, increased predictability, better program control and less sensitivity to macroeconomic forces. This approach to market may cause variability in Order Bookings from quarter to quarter and, as is already the case, lengthen the performance period and revenue recognition for certain customer programs. The Company expects its Order Backlog of $632 million at the end of the fourth quarter of fiscal 2015 to mitigate the impact of volatile Order Bookings on revenues in the short term. Management expects that approximately 40% to 45% of its Order Backlog would typically be completed each quarter. In the first quarter of fiscal 2016, management expects to operate at the lower end of this range.

The addition of PA provides growth opportunities both in new markets and with existing customers. PA's significant capability and market position benefit ATS and its growth strategy. The Company expects meaningful revenue synergies through an expanded ATS offering, which will include PA's process controls, software integration, manufacturing execution systems ("MES"), remote monitoring, lifecycle management, modelling and simulation capabilities. PA provides an imbedded engineering, service and sales force, with early insight into customer preferences, developments, problems and programs. This allows PA to act as first responders for post-automation services and equipment maintenance. PA expects to expand its main automation contractor ("MAC") offering by utilizing ATS on a subcontractor basis to address capability gaps across a number of industries, thereby increasing opportunity. Further, both ATS and PA have the ability to engage customers on a more comprehensive basis. Opportunities to improve profitability are being pursued through adoption of ATS best practices in approach to market, key account management, front-end-of-the-business processes, performance management and corporate strategy. Cost synergies are expected to be nominal.

Management's disciplined focus on program management, cost reductions, standardization and quality is expected to put ATS in a strong competitive position to capitalize on opportunities going forward and sustain performance in challenging market conditions. With the addition of PA, the Company has undertaken a comprehensive review of its facilities and global capacity. As a result of this review, the Company has agreed to divest its Swiss-based automation operations through a sale to a third party. The transaction is expected to close in the first quarter of fiscal 2016. Additional actions to re-balance global capacity and improve the Company's cost structure are expected to be implemented in the first and second quarters of fiscal 2016. As a result, management expects to incur charges of approximately $3 million in the first two quarters of fiscal 2016. These charges are expected to have an approximate payback period of less than one year. Management expects that the application of its ongoing efforts to improve its cost structure, business processes, leadership and supply chain management will continue to have a positive impact on ATS operations.

The Company seeks to continue to expand its position in the global automation market organically and through acquisition. The Company's solid foundation and strong cash flow generation capability provide the flexibility to pursue its growth strategy.

CONSOLIDATED RESULTS FROM CONTINUING OPERATIONS AND SELECTED FOURTH QUARTER AND ANNUAL INFORMATION *(In millions of dollars, except per share data)*

	Q4 2015	Q4 2014	Fiscal 2015	Fiscal 2014	Fiscal 2013
Revenues	**$ 289.4**	$ 200.7	**$ 936.1**	$ 683.4	$ 591.1
Cost of revenues	**217.3**	146.6	**691.1**	501.7	441.2
Selling, general and administrative	**49.0**	35.0	**173.7**	113.3	89.5
Stock-based compensation	**0.5**	1.9	**4.3**	7.3	3.8
Earnings from operations	**$ 22.6**	$ 17.2	**$ 67.0**	$ 61.0	$ 56.6
Net finance costs	**$ 4.3**	$ 1.0	**$ 11.9**	$ 3.0	$ 2.0
Provision for income taxes	**4.4**	4.5	**16.2**	8.6	13.5
Net income from continuing operations	**$ 13.9**	$ 11.7	**$ 38.9**	$ 49.4	$ 41.1
Income (loss) from discontinued operations, net of tax	**$ 2.2**	$ (0.4)	**$ 16.2**	$ 12.8	$ (26.0)
Net income	**$ 16.1**	$ 11.3	**$ 55.1**	$ 62.2	$ 15.1
Earnings (loss) per share					
Basic from continuing operations	**$ 0.15**	$ 0.13	**$ 0.43**	$ 0.56	$ 0.47
Basic from discontinued operations	**$ 0.03**	$ (0.01)	**$ 0.18**	$ 0.14	$ (0.30)
	$ 0.18	$ 0.12	**$ 0.61**	$ 0.70	$ 0.17
Diluted from continuing operations	**$ 0.15**	$ 0.13	**$ 0.42**	$ 0.55	$ 0.46
Diluted from discontinued operations	**$ 0.03**	$ (0.01)	**$ 0.18**	$ 0.14	$ (0.29)
	$ 0.18	$ 0.12	**$ 0.60**	$ 0.69	$ 0.17
From continuing operations:					
Total assets			**$ 1,220.7**	$ 778.4	$ 565.4
Total cash and short-term investments			**$ 106.1**	$ 76.5	$ 105.5
Total bank debt			**$ 291.3**	$ 6.0	$ 1.2

REVENUES: At $289.4 million, consolidated revenues from continuing operations for the fourth quarter of fiscal 2015 were $88.7 million or 44% higher than in the corresponding period a year ago, primarily on incremental PA revenues. At $936.1 million, fiscal 2015 revenues were $252.7 million or 37% higher than a year ago, primarily on incremental IWK and PA revenues. See "Overview – Operating Results from Continuing Operations."

COST OF REVENUES: At $217.3 million, fourth quarter fiscal 2015 cost of revenues increased over the corresponding period a year ago by $70.7 million or 48%, primarily on higher revenues. Fiscal 2015 cost of revenues of $691.1 million increased by $189.4 million or 38%, primarily on higher revenues compared to a year ago.

At 25% gross margin in the fourth quarter of fiscal 2015 decreased 2% from the corresponding period a year ago due to the addition of PA. PA's cost structure has typically operated with a lower gross margin than ATS. For PA, higher cost of sales is partially offset by lower selling, general and administrative costs relative to revenues as compared to ATS. Fiscal 2015 gross margin of 26% decreased 1% from the corresponding period a year ago due to the addition of PA.

SELLING, GENERAL AND ADMINISTRATIVE ("SG&A") EXPENSES: SG&A expenses for the fourth quarter of fiscal 2015 were $49.0 million. This included $1.6 million of incremental costs related to the Company's acquisition activity and restructuring and severance expenses of $1.4 million. Excluding these costs, SG&A expenses were $12.2 million or 36% higher than the $33.8 million incurred in the corresponding period in the prior year, which is exclusive of $0.2 million of acquisition-related costs and $1.0 million of restructuring charges incurred to re-balance global capacity and improve the Company's cost structure. Higher SG&A costs primarily reflected the addition of PA, including $6.2 million of incremental amortization expense related to the identifiable intangible assets recorded on the acquisition, foreign exchange rate changes which impacted the translation of SG&A expenses, and higher employee-related costs.

Fiscal 2015 SG&A expenses were $173.7 million, which included $13.3 million of costs related to the Company's acquisition strategy and $1.4 million of restructuring and severance costs. Excluding these costs, SG&A spending was $159.0 million, $50.7 million or 47% higher than a year ago. Higher SG&A costs primarily reflected the addition of PA and IWK, including $19.3 million of incremental amortization expense related to the identifiable intangible assets recorded on the PA and IWK acquisitions.

STOCK-BASED COMPENSATION: Stock-based compensation expense of $0.5 million in the fourth quarter of fiscal 2015 decreased from $1.9 million in the corresponding period a year ago. Fiscal 2015 stock-based compensation expense decreased to $4.3 million from $7.3 million a year ago. The decrease in stock-based compensation costs primarily reflects the revaluation of deferred stock units, share appreciation rights and restricted share units based on changes in the market price of the Company's stock.

EARNINGS FROM OPERATIONS: For the three and twelve month periods ended March 31, 2015, consolidated earnings from operations were $22.6 million and $67.0 million respectively (operating margins of 8% and 7% respectively), compared to earnings from operations of $17.2 million and $61.0 million in the corresponding periods a year ago (operating margins of 9% in both periods). See "Overview – Operating Results from Continuing Operations."

NET FINANCE COSTS: Net finance costs were $4.3 million in the fourth quarter of fiscal 2015, $3.3 million higher than the corresponding period a year ago. Fiscal 2015 finance costs were $11.9 million compared to $3.0 million a year ago. The increase in net finance costs in both periods reflected increased usage of the Company's credit facility to finance the acquisition of PA and to support letters of credit.

INCOME TAX PROVISION: For the three and twelve months ended March 31, 2015, the Company's effective income tax rates of 24% and 29%, respectively, differed from the combined Canadian basic federal and provincial income tax rate of 27% primarily as a result of income earned in certain jurisdictions with different statutory rates. The Company expects its effective tax rate will exceed the combined Canadian basic federal and provincial income tax rate of 27% going forward. Cash taxes are expected to be lower than the effective tax rate for accounting purposes due to tax assets available primarily in Canada and Germany.

NET INCOME FROM CONTINUING OPERATIONS: Fiscal 2015 fourth quarter net income from continuing operations was $13.9 million (15 cents per share basic and diluted) compared to $11.7 million (13 cents per share basic and diluted) for the fourth quarter of fiscal 2014. Net income from continuing operations for fiscal 2015 was $38.9 million (0.43 cents per share basic and 0.42 cents per share diluted) compared to $49.4 million (56 cents per share basic and 55 cents per share diluted) a year ago.

RECONCILIATION OF NON-IFRS MEASURES TO IFRS MEASURES *(In millions of dollars)*

The following table reconciles EBITDA to the most directly comparable IFRS measure (net income from continuing operations):

	Fiscal 2015	Fiscal 2014	Fiscal 2013
EBITDA	**$ 107.5**	$ 79.4	$ 68.8
Less: depreciation and amortization expense	**40.5**	18.4	12.2
Earnings from operations	**$ 67.0**	61.0	56.6
Less: net finance costs	**11.9**	3.0	2.0
Provision for income taxes	**16.2**	8.6	13.5
Net income from continuing operations	**$ 38.9**	$ 49.4	$ 41.1

	Q4 2015	Q4 2014
EBITDA	**$ 35.2**	$ 23.5
Less: depreciation and amortization expense	**12.6**	6.3
Earnings from operations	**$ 22.6**	$ 17.2
Less: net finance costs	**4.3**	1.0
Provision for income taxes	**4.4**	4.5
Net income from continuing operations	**$ 13.9**	$ 11.7

The following table reconciles adjusted earnings from operations and adjusted basic earnings per share from continuing operations to the most directly comparable IFRS measures (net income from continuing operations and basic earnings from continuing operations respectively):

	Three Months Ended March 31, 2015			Three Months Ended March 31, 2014		
	IFRS	**Adjustments**	**Adjusted (non-IFRS)**	IFRS	Adjustments	Adjusted (non-IFRS)
Earnings from operations	**$ 22.6**	**$ —**	**$ 22.6**	$ 17.2	$ —	$ 17.2
Amortization of acquisition-related intangible assets	**—**	**9.1**	**9.1**	—	3.8	3.8
Acquisition-related transaction costs	**—**	**1.6**	**1.6**	—	0.2	0.2
Restructuring charges	**—**	**1.4**	**1.4**	—	1.0	1.0
	$ 22.6	**$ 12.1**	**$ 34.7**	$ 17.2	$ 5.0	$ 22.2
Less: net finance costs	**$ 4.3**	**$ —**	**$ 4.3**	$ 1.0	$ —	$ 1.0
Income from continuing operations before income taxes	**$ 18.3**	**$ 12.1**	**$ 30.4**	$ 16.2	$ 5.0	$ 21.2
Provision for income taxes	**$ 4.4**	**$ —**	**$ 4.4**	$ 4.5	$ —	$ 4.5
Adjustment to provision for income taxes [1]	**—**	**3.5**	**3.5**	—	1.3	1.3
	$ 4.4	**$ 3.5**	**$ 7.9**	$ 4.5	$ 1.3	$ 5.8
Net income from continuing operations	**$ 13.9**	**$ 8.6**	**$ 22.5**	$ 11.7	$ 3.7	$ 15.4
Basic earnings per share from continuing operations	**$ 0.15**	**$ 0.09**	**$ 0.24**	$ 0.13	$ 0.04	$ 0.17

	Twelve Months Ended March 31, 2015			Twelve Months Ended March 31, 2014		
	IFRS	**Adjustments**	**Adjusted (non-IFRS)**	IFRS	Adjustments	Adjusted (non-IFRS)
Earnings from operations	**$ 67.0**	**$ —**	**$ 67.0**	$ 61.0	$ —	$ 61.0
Amortization of acquisition-related intangible assets	**—**	**28.1**	**28.1**	—	9.2	9.2
Acquisition-related transaction costs	**—**	**13.3**	**13.3**	—	3.2	3.2
Unusual items	**—**	**—**	**—**	—	(4.3)	(4.3)
Restructuring charges	**—**	**1.4**	**1.4**	—	6.1	6.1
	$ 67.0	**$ 42.8**	**$ 109.8**	$ 61.0	$ 14.2	$ 75.2
Less: net finance costs	**$ 11.9**	**$ —**	**$ 11.9**	$ 3.0	$ —	$ 3.0
Income from continuing operations before income taxes	**$ 55.1**	**$ 42.8**	**$ 97.9**	$ 58.0	$ 14.2	$ 72.2
Provision for income taxes	**$ 16.2**	**$ —**	**$ 16.2**	$ 8.6	$ —	$ 8.6
Recognition of previously unrecognized liabilities	**—**	**—**	**—**	—	8.8	8.8
Adjustment to provision for income taxes [1]	**—**	**11.4**	**11.4**	—	3.3	3.3
	$ 16.2	**$ 11.4**	**$ 27.6**	$ 8.6	$ 12.1	$ 20.7
Net income from continuing operations	**$ 38.9**	**$ 31.4**	**$ 70.3**	$ 49.4	$ 2.1	$ 51.5
Basic earnings per share from continuing operations	**$ 0.43**	**$ 0.34**	**$ 0.77**	$ 0.56	$ 0.02	$ 0.58

(1) Adjustments to provision for income taxes relate to the income tax effects of adjustment items that are excluded for the purposes of calculating non-IFRS based adjusted net income from continuing operations.

DISCONTINUED OPERATIONS: SOLAR *(In millions of dollars)*

	Q4 2015	Q4 2014	**Fiscal 2015**	Fiscal 2014
Total revenues	**$ —**	$ —	**$ —**	$ 1.1
Gain on sale	**2.5**	—	**16.7**	13.8
Income (loss) from discontinued operations, net of tax	**2.2**	(0.4)	**16.2**	12.8

REVENUES: During the first quarter of fiscal 2014, the manufacturing assets were sold and the business wound up. Accordingly, no revenues have been generated since the first quarter of fiscal 2014.

INCOME FROM DISCONTINUED OPERATIONS: Ontario Solar recorded income of $2.2 million in the fourth quarter of fiscal 2015 on the completion of the sale of the final three remaining ground-mount solar projects.

For the year, the Company realized gains of $16.7 million related to the sales of its ground-mount solar projects.

SOLAR OUTLOOK: During fiscal 2015, all remaining solar assets were divested.

SUMMARY OF INVESTMENTS, LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES

INVESTMENTS *(In millions of dollars)*

	Fiscal 2015	Fiscal 2014
Investments – increase (decrease)		
Non-cash operating working capital	**$ (3.6)**	$ 4.9
Property, plant and equipment	**11.2**	4.3
Acquisition of intangible assets	**6.8**	6.8
Business acquisition, net of cash acquired	**355.4**	137.4
Purchase of non-controlling interest	**4.4**	—
Proceeds from disposal of assets	**(8.9)**	(0.2)
Disposal of portfolio investment	**—**	(5.2)
Investing activities of discontinued operations	**(22.1)**	(21.9)
Total net investments	**$ 343.2**	$ 126.1

In fiscal 2015, the Company's investment in non-cash working capital decreased by $3.6 million compared to an increase of $4.9 million a year ago. Accounts receivable increased 23% or $27.5 million, driven by the increase in fiscal 2015 revenues and the acquisition of PA. Net contracts in progress increased 34% or $29.9 million compared to March 31, 2014 due to the acquisition of PA and timing of closing customer programs compared to fiscal 2014. The Company actively manages its accounts receivable and net contracts in progress balances through billing terms on long-term contracts, collection efforts and supplier payment terms. Inventories increased 74.0% or $17.9 million primarily due to the acquisition of PA. Deposits and prepaid assets increased 53% or $5.1 million compared to March 31, 2014 due to the timing of program execution. Accounts payable and accrued liabilities increased 45% or $62.6 million primarily due to the acquisition of PA and timing of purchases.

Capital expenditures totalled $11.2 million for fiscal 2015, primarily related to incremental capital expenditures from the addition of PA. Capital expenditures totalled $4.3 million in fiscal 2014, primarily related to computer hardware. Intangible assets expenditures for both fiscal 2015 and fiscal 2014 were $6.8 million and primarily related to computer software.

The Company performs impairment tests on its goodwill and intangible asset balances on an annual basis or as warranted by events or circumstances. The Company conducted its annual impairment assessment in the fourth quarter of fiscal 2015 and has determined there is no impairment of goodwill or intangible assets as of March 31, 2015 (fiscal 2014 – $nil).

All of the Company's investments involve risks and require that the Company make judgments and estimates regarding the likelihood of recovery of the respective costs. In the event management determines that any of the Company's investments have become permanently impaired or recovery is no longer reasonably assured, the value of the investment would be written down to its estimated net realizable value as a charge against earnings. Due to the magnitude of certain investments, such write-downs could be material.

LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES *(In millions of dollars, except ratios)*

	Fiscal 2015	Fiscal 2014
Cash and cash equivalents	**$ 106.1**	$ 76.5
Debt-to-equity ratio	**0.54:1**	0.01:1
Cash flows provided by operating activities from continuing operations	**$ 82.1**	$ 70.0

At March 31, 2015, the Company had cash and cash equivalents of $106.1 million compared to $76.5 million at March 31, 2014. The Company's total-debt-to-total- equity ratio, excluding accumulated other comprehensive income, was 0.54:1 at March 31, 2015.

At March 31, 2015, the Company had $377 million of unutilized multipurpose credit, including letters of credit, available under existing credit facilities and an additional $5.8 million available under letter of credit facilities.

In fiscal 2015, cash flows provided by operating activities from continuing operations were $82.1 million ($70.0 million provided by in the corresponding period a year ago). The increase in operating cash flows from continuing operations related primarily to higher earnings net of depreciation and amortization expenses and the timing of investments in non-cash working capital in large customer programs.

During fiscal 2015, the Company amended its senior secured credit facility (the "Credit Facility"). The Credit Facility provides a four-year committed revolving credit facility of $750.0 million and matures on August 29, 2018. The Credit Facility is secured by: (i) the Company's assets, excluding real estate; (ii) assets, excluding real estate, of certain of the Company's North American subsidiaries; and (iii) a pledge of shares of certain of the Company's non-North American subsidiaries. Certain of the Company's subsidiaries also provide guarantees under the Credit Facility. At March 31, 2015, the Company had utilized $375.0 million under the Credit Facility, of which $290.0 million was classified as long-term debt (March 31, 2014 – $nil) and $85.0 million by way of letters of credit (March 31, 2014 –$72.6 million).

The Credit Facility is available in Canadian dollars by way of prime rate advances and/or bankers' acceptances, in U.S. dollars by way of base rate advances and/or LIBOR advances, in Swiss francs, Euros and British pounds sterling by way of LIBOR advances and by way of letters of credit for certain purposes in Canadian dollars, U.S. dollars and Euros. The interest rates applicable to the Credit Facility are determined based on a debt to EBITDA ratio. For prime rate advances and base rate advances, the interest rate is equal to the bank's prime rate or the bank's U.S. dollar base rate in Canada, respectively, plus a margin ranging from 0.45% to 2.00%. For bankers' acceptances and LIBOR advances, the interest rate is equal to the bankers' acceptance fee or the LIBOR, respectively, plus a margin that varies from 1.45% to 3.00%. The Company pays a fee for usage of financial letters of credit which ranges from 1.45% to 3.00% and a fee for usage of non-financial letters of credit which ranges from 0.97% to 2.00%. The Company pays a standby fee on the unadvanced portions of the amounts available for advance or draw-down under the Credit Facility at rates ranging from 0.29% to 0.68%.

The Credit Facility is subject to a debt-to-EBITDA ratio test and an interest coverage test. Under the terms of the Credit Facility, the Company is restricted from encumbering any assets with certain permitted exceptions. The Credit Facility also limits advances to subsidiaries and partially restricts the Company from repurchasing its common shares and paying dividends.

The Company has additional credit facilities of $9.1 million (1.7 million Euro, 200.0 million Indian Rupees, 0.5 million Swiss Francs, 50.0 million Thai Baht and 0.4 million Czech Koruna). The total amount outstanding on these facilities was $6.6 million, of which $1.7 million was classified as bank indebtedness (March 31, 2014 – $0.9 million) and $4.9 million was classified as long-term debt (March 31, 2014 – $5.8 million). The interest rates applicable to the credit facilities range from 1.85% to 10.25% per annum. A portion of the long-term debt is secured by certain assets of the Company. The 0.5 million Swiss Francs and 200.0 million Indian Rupees credit facilities are secured by letters of credit under the Credit Facility.

The Company expects to continue increasing its investment in working capital to support the growth of its business. The Company expects that continued cash flows from operations, together with cash and cash equivalents on hand and credit available under operating and long-term credit facilities, will be sufficient to fund its requirements for investments in working capital and capital assets and to fund strategic investment plans including certain potential acquisitions. Significant acquisitions could result in additional debt or equity financing requirements. The Company expects to continue to use leverage to support its growth strategy.

In the second quarter of fiscal 2015, the Company completed its acquisition of PA. The total cash consideration paid was $367 million (253 million Euro). At the close of the transaction, $365 million (251 million Euro) was paid, with the balance paid in May 2015. See "Value Creation Strategy: Business Acquisition – PA."

CONTRACTUAL OBLIGATIONS *(In millions of dollars)*

The minimum operating lease payments (related primarily to facilities and equipment) and purchase obligations are as follows:

From continuing operations:	Operating Leases	Purchase Obligations
Less than one year	$ 9.7	$ 54.5
One – two years	8.3	0.4
Two – three years	5.3	—
Three – four years	3.9	—
Four – five years	3.3	—
Due in over five years	4.0	—
	$ 34.5	$ 54.9

The Company's off-balance sheet arrangements consist of purchase obligations and various operating lease financing arrangements related primarily to facilities and equipment which have been entered into in the normal course of business. The Company's purchase obligations consist primarily of materials purchase commitments.

In accordance with industry practice, the Company is liable to customers for obligations relating to contract completion and timely delivery. In the normal conduct of its operations, the Company may provide bank guarantees as security for advances received from customers pending delivery and contract performance. In addition, the Company provides bank guarantees for post-retirement obligations and may provide bank guarantees as security on equipment under lease and on order. At March 31, 2015, the total value of outstanding bank guarantees was approximately $118.0 million under credit facilities from continuing operations (March 31, 2014 – $95.3 million from continuing operations and $2.1 million from discontinued operations).

The Company is exposed to credit risk on derivative financial instruments arising from the potential for counterparties to default on their contractual obligations to the Company. The Company minimizes this risk by limiting counterparties to major financial institutions and monitoring their creditworthiness. The Company's credit exposure to forward foreign exchange contracts is the current replacement value of contracts that are in a gain position. For further information related to the Company's use of derivative financial instruments, refer to note 13 of the consolidated financial statements. The Company is also exposed to credit risk from its customers. Substantially all of the Company's trade accounts receivable are due from customers in a variety of industries and, as such, are subject to normal credit risks from their respective industries.

The Company regularly monitors customers for changes in credit risk. The Company does not believe that any single industry or geographic region represents significant credit risk. Credit risk concentration with respect to trade receivables is mitigated as the Company primarily serves large, multinational customers and through insurance.

During fiscal 2015, 836,118 stock options were exercised. At May 20, 2015 the total number of shares outstanding was 91,629,665 and there were 4,221,283 stock options outstanding to acquire common shares of the Company.

RELATED-PARTY TRANSACTIONS

During fiscal 2015, the Company entered into an agreement with a shareholder, Mason Capital Management, LLC ("Mason Capital"), pursuant to which Mason Capital has agreed to provide ATS with ongoing strategic and capital markets advisory services for an annual fee of U.S. $0.5 million. As part of the agreement, members of the Company's board of directors who are associated with Mason Capital have waived any fees to which they may have otherwise been entitled for serving as members of the board of directors or as members of any committee of the board of directors.

There were no other significant related-party transactions in fiscal 2015.

FOREIGN EXCHANGE

The Company is exposed to foreign exchange risk through transactions in currencies other than its functional currency of the Canadian dollar and through its investments in its foreign based subsidiaries. Weakening in the value of the Canadian dollar relative to the U.S. dollar had a positive impact on translation of the Company's revenues in fiscal 2015 compared to fiscal 2014.

The Company's Canadian operations generate significant revenues in major foreign currencies, primarily U.S. dollars, which exceed the natural hedge provided by purchases of goods and services in those currencies. In order to manage a portion of this net foreign currency exposure, the Company has entered into forward foreign exchange contracts. The timing and amount of these forward foreign exchange contract requirements are estimated based on existing customer contracts on hand or anticipated, current conditions in the Company's markets and the Company's past experience. Certain of the Company's foreign subsidiaries will also enter into forward foreign exchange contracts to hedge identified balance sheet, revenue and purchase exposures. The Company's forward foreign exchange contract hedging program is intended to mitigate movements in currency rates primarily over a four to six month period. See note 13 to the consolidated financial statements for details on the derivative financial instruments outstanding at March 31, 2015.

In addition, from time to time, the Company enters into forward foreign exchange contracts to manage the foreign exchange risk arising from certain intercompany loans and investments in certain subsidiaries and committed acquisitions.

The Company uses hedging as a risk management tool, not to speculate.

PERIOD AVERAGE EXCHANGE RATES IN CDN$

	Year-end actual exchange rates			**Period average exchange rates**		
	March 31, 2015	March 31, 2014	% change	**March 31, 2015**	March 31, 2014	% change
U.S. Dollar	**1.2666**	1.1055	14.6%	**1.1384**	1.0538	8.0%
Euro	**1.3615**	1.5230	(10.6%)	**1.4383**	1.4137	1.7%

CONSOLIDATED QUARTERLY RESULTS *(In millions of dollars, except per share amounts)*

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenues from continuing operations	**$ 289.4**	$ 248.8	$ 207.0	$ 190.9	$ 200.7	$ 178.0	$ 154.6	$ 150.0
Earnings from operations	**$ 22.6**	$ 15.9	$ 14.1	$ 14.4	$ 17.2	$ 16.7	$ 14.4	$ 12.7
Adjusted earnings from operations	**$ 34.7**	$ 27.2	$ 27.0	$ 21.1	$ 22.2	$ 20.5	$ 16.6	$ 15.9
Income from continuing operations	**$ 13.9**	$ 8.6	$ 7.4	$ 9.0	$ 11.7	$ 18.8	$ 10.4	$ 8.6
Income (loss) from discontinued operations	**$ 2.2**	$ (0.0)	$ 7.1	$ 6.9	$ (0.4)	$ (0.3)	$ 2.5	$ 11.0
Net income	**$ 16.1**	$ 8.6	$ 14.5	$ 15.9	$ 11.3	$ 18.5	$ 12.9	$ 19.6
Basic earnings per share from continuing operations	**$ 0.15**	$ 0.09	$ 0.08	$ 0.10	$ 0.13	$ 0.21	$ 0.12	$ 0.10
Adjusted basic earnings per share from continuing operations	**$ 0.24**	$ 0.18	$ 0.19	$ 0.15	$ 0.17	$ 0.14	$ 0.14	$ 0.13
Basic earnings (loss) per share from discontinued operations	**$ 0.03**	$ (0.00)	$ 0.08	$ 0.08	$ (0.01)	$ (0.00)	$ 0.03	$ 0.12
Basic earnings per share	**$ 0.18**	$ 0.09	$ 0.16	$ 0.18	$ 0.12	$ 0.21	$ 0.15	$ 0.22
Diluted earnings per share from continuing operations	**$ 0.15**	$ 0.09	$ 0.08	$ 0.10	$ 0.13	$ 0.21	$ 0.11	$ 0.10
Diluted earnings (loss) per share from discontinued operations	**$ 0.03**	$ (0.00)	$ 0.08	$ 0.07	$ (0.01)	$ (0.00)	$ 0.03	$ 0.12
Diluted earnings per share	**$ 0.18**	$ 0.09	$ 0.16	$ 0.17	$ 0.12	$ 0.21	$ 0.14	$ 0.22
Order Bookings	**$ 317.0**	$ 287.0	$ 216.0	$ 160.0	$ 197.0	$ 237.0	$ 110.0	$ 165.0
Order Backlog	**$ 632.0**	$ 602.0	$ 561.0	$ 425.0	$ 474.0	$ 467.0	$ 355.0	$ 415.0

Interim financial results are not necessarily indicative of annual or longer-term results because many of the individual markets served by the Company tend to be cyclical in nature. General economic trends, product life cycles and product changes may impact revenues and operating performance. ATS typically experiences some seasonality with its Order Bookings, revenues and earnings from operations due to summer plant shutdowns by some of its customers. Operating performance quarter to quarter may also be affected by: the timing of revenue recognition on large programs in Order Backlog, which is impacted by such factors as customer delivery schedules, and the timing of third-party content; and by the timing of acquisitions.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the end of the reporting period. Uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Company based its assumptions on information available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the estimates as they occur.

Notes 2 and 3 to the consolidated financial statements describe the basis of accounting and the Company's significant accounting policies.

REVENUE RECOGNITION AND CONTRACTS IN PROGRESS: The nature of ATS contracts requires the use of estimates to quote new business and most automation systems are typically sold on a fixed-price basis. Revenues on construction contracts and other long-term contracts are recognized on a percentage of completion basis as outlined in note 3(d) "Construction contracts" to the consolidated financial statements. In applying the accounting policy on construction contracts, judgment is required in determining the estimated costs to complete a contract. These cost estimates are reviewed at each reporting period and by their nature may give rise to income volatility. If the actual costs incurred by the Company to complete a contract are significantly higher than estimated, the Company's earnings may be negatively affected. The use of estimates involves risks, since the work to be performed requires varying degrees of technical uncertainty, including possible development work to meet the customer's specification, the extent of which is sometimes not determinable until after the project has been awarded. In the event the Company is unable to meet the defined performance specification for a contracted automation system, it may need to redesign and rebuild all or a portion of the system at its expense without an increase in the selling price. Certain contracts may have provisions that reduce the selling price if the Company fails to deliver or complete the contract by specified dates. These provisions may expose the Company to liabilities or adversely affect the Company's results of operations or financial position.

ATS' contracts may be terminated by customers in the event of a default by the Company or, in some cases, for the convenience of the customer. In the event of a termination for convenience, the Company typically negotiates a payment provision reflective of the progress achieved on the contract and/or the costs incurred to the termination date. If a contract is cancelled, Order Backlog is reduced and production utilization may be negatively impacted.

Complete provision, which can be significant, is made for losses on such contracts when the losses first become known. Revisions in estimates of costs and profits on contracts, which can also be significant, are recorded in the accounting period in which the relevant facts impacting the estimates become known.

A portion of ATS' revenue is recognized when earned, which is generally at the time of shipment and transfer of title to the customer, provided collection is reasonably assured.

INCOME TAXES: Deferred income tax assets, disclosed in note 18 to the consolidated financial statements, are recognized to the extent that it is probable that taxable income will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

If the assessment of the Company's ability to utilize the deferred income tax asset changes, the Company would be required to recognize more or fewer of the deferred income tax assets, which would increase or decrease income tax expense in the period in which this is determined. The Company establishes provisions based on reasonable estimates for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous taxation audits and differing interpretations of tax regulations by the taxable entity and the respective tax authority. These provisions for uncertain tax positions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all the relevant factors. The Company reviews the adequacy of these provisions at each quarter. However, it is possible that at some future date an additional liability could result from audits by the taxation authorities. Where the final tax outcome of these matters is different from the amount initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

STOCK-BASED PAYMENT TRANSACTIONS: The Company measures the cost of transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for stock-based payment transactions requires the determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the future forfeiture rate, the expected life of the share option, weighted average risk-free interest rate, volatility and dividend yield, and formation of assumptions. The assumptions and models used for estimating fair value for stock-based payment transactions are disclosed in note 19 of the consolidated financial statements.

IMPAIRMENT OF NON-FINANCIAL ASSETS: Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculations involve significant estimates and assumptions. Items estimated include cash flows, discount rates and assumptions on revenue growth rates. These estimates could effect the Company's future results if the current estimates of future performance and fair values change. Goodwill is assessed for impairment on an annual basis as described in note 11 to the consolidated financial statements. The Company performed its annual impairment test of goodwill as at March 31, 2015 and has determined there is no impairment (March 31, 2014 – $nil).

PROVISIONS: As described in note 3(q) to the consolidated financial statements, the Company records a provision when an obligation exists, an outflow of economic resources required to settle the obligation is probable and a reliable estimate can be made of the amount of the obligation. The Company records a provision based on the best estimate of the required economic outflow to settle the present obligation at the balance sheet date. While management believes these estimates are reasonable, differences in actual results or changes in estimates could have a material impact on the obligations and expenses reported by the Company.

EMPLOYEE BENEFITS: The cost of defined benefit pension plans and the present value of the pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in their respective currency, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details about the assumptions used are provided in note 15 of the consolidated financial statements.

ACCOUNTING STANDARDS ADOPTED IN FISCAL 2015

IFRIC 21 – LEVIES: Effective April 1, 2014, the Company applied IFRIC 21, which provides guidance on when to recognize a liability to pay a levy imposed by government that is accounted for in accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets.* The adoption of IFRIC 21 had no impact on the financial statements of the Company.

ACCOUNTING STANDARDS AMENDED TO REFLECT ANNUAL IMPROVEMENTS 2010-2012 CYCLE ISSUED BY THE IASB IN MAY 2012

IFRS 2 – SHARE-BASED PAYMENTS: The IASB amended this standard to clarify the definition of a vesting condition and separately defines "performance condition" and "service condition." The amendment is effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

IFRS 3 – BUSINESS COMBINATIONS: The IASB amended this standard to clarify contingent consideration in a business combination. The amendment is effective for business combinations where the acquisition date is on or after July 1, 2014.

IFRS 8 – OPERATING SEGMENTS: Effective for interim and annual financial statements relating to fiscal years beginning on or after July 1, 2014, the IASB amended this standard to require disclosure of the judgments made by management in aggregating operating segments along with the requirement to include a reconciliation of segment assets to the entity's assets when segment assets are reported.

The Company does not anticipate a significant impact to the financial statements related to these amendments.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS: In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers* which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard will supersede all current revenue recognition requirements under IFRS.

The standard currently requires a full or modified retrospective application for annual periods beginning on or after January 1, 2017. In April 2015, the IASB proposed deferring the effective date of the standard to January 1, 2018. The IASB is expected to issue an exposure draft in May 2015 in relation to the proposed effective date deferral. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

IFRS 9 – FINANCIAL INSTRUMENTS: In July 2014, the IASB issued the final version of IFRS 9 – *Financial Instruments* which replaces all phases of the financial instruments project, IAS 39 – *Financial Instruments: Recognition and Measurement,* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

IAS 19 – EMPLOYEE BENEFITS: The amendments to IAS 19 – *Employee Benefits* require an entity to consider contributions from employees or third parties when accounting for defined benefit plans. When the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

These amendments are effective for annual periods beginning on or after July 1, 2014. The Company is currently assessing the impact of adopting these amendments on its consolidated financial statements and does not expect any significant impact.

CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company. The control framework used in the design of disclosure controls and procedures and internal control over financial reporting is the "Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

DISCLOSURE CONTROLS AND PROCEDURES: An evaluation of the design and operating effectiveness of the Company's disclosure controls and procedures was conducted as of March 31, 2015 under the supervision of the CEO and CFO as required by CSA National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings.* The evaluation included documentation, review, enquiries and other procedures considered appropriate in the circumstances. Based on that evaluation, the CEO and the CFO have concluded that the Company's disclosure controls and procedures are effective to provide reasonable assurance that information relating to the Company and its consolidated subsidiaries that is required to be disclosed in reports filed under provincial and territorial securities legislation is recorded, processed, summarized and reported to senior management, including the CEO and the CFO, so that appropriate decisions can be made by them regarding required disclosure within the time periods specified in the provincial and territorial securities legislation.

INTERNAL CONTROL OVER FINANCIAL REPORTING: CSA National Instrument 52-109 requires the CEO and CFO to certify that they are responsible for establishing and maintaining internal control over financial reporting for the Company, and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

Management, including the CEO and CFO, does not expect that the Company's disclosure controls or internal controls over financial reporting will prevent or detect all errors and all fraud or will be effective under all potential future conditions. A control system is subject to inherent limitations and, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met.

The CEO and CFO have, using the framework and criteria established in "Internal Control – Integrated Framework (2013)" issued by COSO, evaluated the design and operating effectiveness of the Company's internal controls over financial reporting and concluded that, as of March 31, 2015, internal controls over financial reporting were effective to provide reasonable assurance that information related to consolidated results and decisions to be made based on those results were appropriate.

During the year ended March 31, 2015, other than as noted below, there have been no changes in the design of the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

In May 2013, COSO released an updated version of the 1992 internal control integrated framework. The original framework was available through December 15, 2014, at which time the 1992 framework was superseded. During fiscal 2015, the Company adopted the new framework.

The Company acquired PA on September 1, 2014. During the three months ended March 31, 2015, management completed its evaluation on the design and operating effectiveness of PA's internal controls over financial reporting and concluded that, as of March 31, 2015, internal controls over financial reporting were effective to provide reasonable assurance that information related to consolidated results and decisions to be made based on those results were appropriate.

OTHER MAJOR CONSIDERATIONS AND RISK FACTORS

Any investment in ATS will be subject to risks inherent to ATS' business. The following risk factors are discussed in the Company's Annual Information Form, which may be found on SEDAR at www.sedar.com.

/ Market volatility;
/ Strategy execution risks;
/ Liquidity, access to capital markets and leverage;
/ Restrictive covenants;
/ Availability of performance and other guarantees;
/ Share price volatility;
/ Competition;
/ Industry consolidation;
/ First-time program and production risks;
/ Automation systems pricing;
/ Revenue mix risk;
/ Pricing, quality, delivery and volume risks;
/ Product failure;
/ Insurance coverage;
/ Acquisition risks;
/ Expansion risks;
/ Availability of raw materials and other manufacturing inputs;

- / Customer risks;
- / Cumulative loss of several significant contracts;
- / Lengthy sales cycle;
- / Lack of long term customer commitment;
- / New product market acceptance, obsolescence, and commercialization risk;
- / Foreign exchange risk;
- / Doing business in foreign countries;
- / Availability of human resources and dependence on key personnel;
- / Legislative compliance;
- / Environmental compliance;
- / Corruption of Foreign Public Officials Act and anti-bribery laws risk;
- / Intellectual property protection risks;
- / Risk of infringement of third parties' intellectual property rights;
- / Security breaches or disruptions of information technology systems;
- / Internal controls;
- / Impairment of intangible assets risk;
- / Income and other taxes and uncertain tax liabilities;
- / Variations in quarterly results;
- / Litigation;
- / Natural disasters, pandemics, acts of war terrorism, international conflicts or other disruptions;
- / Manufacturing facilities disruption; and
- / Dependence on performance of subsidiaries.

NOTE TO READERS: FORWARD-LOOKING STATEMENTS

This annual report and management's discussion and analysis of financial conditions, and results of operations of ATS contains certain statements that may constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of ATS, or developments in ATS' business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. ATS cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things: the next phase of the Company's strategy: grow, expand, and scale; the enhancement of growth opportunities in both new markets and with existing customers resulting from the PA acquisition; expected cash consideration for purchase of remaining interest in M+W Advanced Applications GmbH; potential impact of general economic environment, including impact on demand and Order Bookings; impacts on demand for Company's products potentially lagging global macroeconomic trends; activity in the market segments that the Company serves; the engagement with customers on enterprise solutions providing ATS with more strategic relationships, increased predictability, better program control and less sensitivity to macroeconomic forces; the sales organization's approach to market and expected impact on Order Bookings, performance period, and timing of revenue recognition; the Company's Order Backlog mitigating the impact of volatility in Order Bookings; the rate of completion of Order Backlog and expectations in that regard for the first quarter of fiscal 2016; PA acquisition – growth opportunities presented by PA, ATS benefiting from PA's capability and market position, revenue synergies through an expanded ATS offering, PA's opportunity to expand its MAC offering, ATS and PA engaging customers on a more comprehensive basis, PA benefiting from the adoption of ATS' best practices, and expectations in relation to cost synergies; management's expectations in relation to the impact of management focus and strategic initiatives on ATS operations; expected timing of closing of divestiture of Swiss-based operations; expected restructuring, related costs, and expected payback period; the Company's strategy to expand organically and through acquisition; Company's expectation with respect to deferred tax assets, effective tax rate and cash taxes; Company's expectation to continue to increase its investment in working capital; expectation in relation to meeting funding requirements for investments; expectation to use increased leverage to support growth strategy; foreign exchange hedging; and accounting standards changes. The risks and uncertainties that may affect forward-looking statements include, among others: impact of the global economy; general market performance including capital market conditions and availability and cost of credit; performance of the market sectors that ATS serves; foreign currency and exchange risk; the relative strength of the Canadian dollar; impact of factors such as increased pricing pressure and possible margin compression; the regulatory and tax environment; failure or delays associated with new customer programs; potential for greater negative impact associated with any non-performance related to large enterprise programs; that based on rate of achievement of performance targets, the cash consideration for the remaining interest in M+W Advanced Applications GmbH is other than expected; variations in the amount of Order Backlog completed in any given quarter; in the first quarter of 2016, completion of an amount of Order Backlog other than as expected; variation in the amount of time and materials contracts performed by PA in any given quarter; that ATS is unable to realize upon growth opportunities presented by PA, or expand product or service offerings; that ATS is unable to leverage PA's capability and market position; that revenue synergies are not realized; that customers are more difficult to engage than expected; that strategic initiatives are delayed, not completed, or do not have intended positive impact; that the sale of the Swiss-based operation is delayed or does not close; that restructuring charges are greater than expected and/or that the payback is not realized as quickly as anticipated; inability to successfully expand organically or through acquisition, due to an inability to grow expertise, personnel, and/or facilities at required rates or to identify, negotiate and conclude one or more acquisitions; or to raise, through debt or equity, or otherwise have available, required capital; that acquisitions made are not integrated as quickly or effectively as planned or expected and, as a result, anticipated benefits and synergies are not realized; that one or more customers, or other entities with which the Company has contracted, experience insolvency or bankruptcy with resulting delays, costs or losses to the Company; political, labour or supplier disruptions; the development of superior or alternative technologies to those developed by ATS; the success of competitors with greater capital and resources in exploiting their technology; market risk for developing technologies; risks relating to legal proceedings to which ATS is or may become a party; exposure to product liability claims; risks associated with greater than anticipated tax liabilities or expenses; and other risks detailed from time to time in ATS' filings with Canadian provincial securities regulators. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and other than as required by applicable securities laws, ATS does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.

Management's Responsibility for Financial Reporting

The preparation and presentation of the Company's consolidated financial statements is the responsibility of management. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated financial statements and other information in Management's Discussion and Analysis and the Annual Report include amounts that are based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Financial information presented elsewhere in Management's Discussion and Analysis and the Annual Report is consistent with that in the consolidated financial statements, except as described further in the "Non-IFRS Measures" section of Management's Discussion and Analysis.

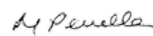
Management maintains appropriate systems of internal accounting and administrative controls which are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with International Financial Reporting Standards as further described in the "Controls and Procedures" section of Management's Discussion and Analysis.

Management's responsibilities for financial reporting are overseen by the Board of Directors (the "Board"), which is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit and Finance Committee (the "Committee").

The Committee is appointed by the Board and all of its members are independent directors. The Committee meets periodically with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities and to review the consolidated financial statements and the external auditors' report. The Committee has reported its findings to the Board which has approved the consolidated financial statements and Management's Discussion and Analysis for issuance to shareholders. The Committee also considers, for review by the Board and approval of shareholders, the engagement or reappointment of the external auditors.

The consolidated financial statements have been audited on behalf of shareholders by Ernst & Young LLP, the external auditors, in accordance with Canadian Auditing Standards. The external auditors have full and free access to management and the Committee.

Anthony Caputo
Chief Executive Officer



Maria Perrella
Chief Financial Officer

Independent Auditors' Report

TO THE SHAREHOLDERS OF ATS AUTOMATION TOOLING SYSTEMS INC.

We have audited the accompanying consolidated financial statements of ATS Automation Tooling Systems Inc., which comprise the consolidated statements of financial position as at March 31, 2015 and 2014, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

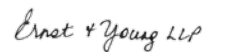
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of ATS Automation Tooling Systems Inc. as at March 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



Toronto, Canada,
May 20, 2015.

Chartered Professional Accountants
Licensed Public Accountants

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(In thousands of Canadian dollars)*

As at	Note	March 31, 2015	March 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents		**$ 106,052**	$ 76,466
Accounts receivable		**145,342**	117,821
Costs and earnings in excess of billings on contracts in progress	7	**192,813**	146,231
Inventories	7	**42,079**	24,186
Deposits, prepaids and other assets	8	**14,731**	9,630
		501,017	374,334
Assets held for sale	6	**4,221**	13,265
		505,238	387,599
Non-current assets			
Property, plant and equipment	9	**83,901**	85,412
Investment property	10	**3,880**	4,341
Goodwill	11	**405,881**	151,731
Intangible assets	12	**183,610**	111,298
Deferred income tax assets	18	**5,057**	7,838
Investment tax credit receivable	18	**33,107**	30,165
		715,436	390,785
Total assets		**$ 1,220,674**	$ 778,384
LIABILITIES AND EQUITY			
Current liabilities			
Bank indebtedness	16	**$ 1,731**	$ 913
Accounts payable and accrued liabilities		**200,871**	138,285
Provisions	14	**10,419**	10,412
Billings in excess of costs and earnings on contracts in progress	7	**76,031**	59,363
Current portion of long-term debt	16	**3,372**	3,815
		292,424	212,788
Liabilities directly associated with assets held for sale	6	**5,717**	6,774
		298,141	219,562
Non-current liabilities			
Employee benefits	15	**24,777**	23,213
Long-term debt	16	**286,154**	1,324
Deferred income tax liabilities	18	**40,870**	16,747
		351,801	41,284
Total liabilities		**$ 649,942**	$ 260,846
EQUITY			
Share capital	17	**$ 519,118**	$ 510,725
Contributed surplus		**14,420**	15,025
Accumulated other comprehensive income		**33,434**	35,970
Retained earnings (deficit)		**3,590**	(44,311)
Equity attributable to shareholders		**570,562**	517,409
Non-controlling interests		**170**	129
Total equity		**570,732**	517,538
Total liabilities and equity		**$ 1,220,674**	$ 778,384

On behalf of the Board:

David McAusland
Director

Neil D. Arnold
Director

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME *(In thousands of Canadian dollars, except per share amounts)*

Years ended March 31	Note	2015	2014
Revenues			
Revenues from construction contracts		**$ 651,710**	$ 597,143
Sale of goods		**62,997**	42,973
Services rendered		**221,370**	43,245
Total revenues		**936,077**	683,361
Operating costs and expenses			
Cost of revenues		**691,067**	501,684
Selling, general and administrative		**173,703**	113,321
Stock-based compensation	19	**4,316**	7,323
Earnings from operations		**66,991**	61,033
Net finance costs	23	**11,931**	3,016
Income from continuing operations before income taxes		**55,060**	58,017
Income tax expense	18	**16,162**	8,600
Income from continuing operations		**38,898**	49,417
Income from discontinued operations, net of tax	6	**16,198**	12,802
Net income		**$ 55,096**	$ 62,219
Attributable to			
Shareholders		**$ 54,963**	$ 62,173
Non-controlling interests		**133**	46
		$ 55,096	$ 62,219
Earnings per share attributable to shareholders	24		
Basic – from continuing operations		**$ 0.43**	$ 0.56
Basic – from discontinued operations	6	**0.18**	0.14
		$ 0.61	$ 0.70
Earnings per share attributable to shareholders	24		
Diluted – from continuing operations		**$ 0.42**	$ 0.55
Diluted – from discontinued operations	6	**0.18**	0.14
		$ 0.60	$ 0.69

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME *(In thousands of Canadian dollars)*

Years ended March 31	Note	2015	2014
Net income		**$ 55,096**	$ 62,219
Other comprehensive income (loss):			
Items to be reclassified subsequently to net income:			
Currency translation adjustment (net of income taxes of $nil)		**(914)**	36,639
Net unrealized gain on available-for-sale financial assets		**—**	285
Tax impact		**—**	82
Gain on available-for-sale financial assets transferred to net income		**—**	(606)
Tax impact		**—**	—
Net unrealized loss on derivative financial instruments designated as cash flow hedges		**(4,584)**	(2,478)
Tax impact		**1,145**	633
Loss transferred to net income for derivatives designated as cash flow hedges		**2,417**	2,081
Tax impact		**(600)**	(543)
Items that will not be reclassified subsequently to net income:			
Actuarial gains (losses) on defined benefit pension plans		**(4,245)**	894
Tax impact		**1,198**	29
Other comprehensive income (loss)		**(5,583)**	37,016
Comprehensive income		**$ 49,513**	$ 99,235
Attributable to			
Shareholders		**$ 49,380**	$ 99,189
Non-controlling interests		**133**	46
		$ 49,513	$ 99,235

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY *(In thousands of Canadian dollars)*

Year ended March 31, 2015

	Share capital	Contributed surplus	Retained earnings (deficit)	Currency translation adjustments	Available-for-sale financial assets	Cash flow hedges	Total accumulated other comprehensive income	Non-controlling interests	Total equity
Balance, at March 31, 2014	**$ 510,725**	**$ 15,025**	**$ (44,311)**	**$ 36,616**	**$ —**	**$ (646)**	**$ 35,970**	**$ 129**	**$ 517,538**
Net income	**—**	**—**	**54,963**	**—**	**—**	**—**	**—**	**133**	**55,096**
Other comprehensive income (loss)	**—**	**—**	**(3,047)**	**(914)**	**—**	**(1,622)**	**(2,536)**	**—**	**(5,583)**
Total comprehensive income (loss)	**—**	**—**	**51,916**	**(914)**	**—**	**(1,622)**	**(2,536)**	**133**	**49,513**
Non-controlling interests (note 5)	**—**	**—**	**(4,015)**	**—**	**—**	**—**	**—**	**(92)**	**(4,107)**
Stock-based compensation	**—**	**1,867**	**—**	**—**	**—**	**—**	**—**	**—**	**1,867**
Exercise of stock options	**8,393**	**(2,472)**	**—**	**—**	**—**	**—**	**—**	**—**	**5,921**
Balance, at March 31, 2015	**$ 519,118**	**$ 14,420**	**$ 3,590**	**$ 35,702**	**$ —**	**$ (2,268)**	**$ 33,434**	**$ 170**	**$ 570,732**

Year ended March 31, 2014

	Share capital	Contributed surplus	Retained earnings (deficit)	Currency translation adjustments	Available-for-sale financial assets	Cash flow hedges	Total accumulated other comprehensive income	Non-controlling interests	Total equity
Balance, at March 31, 2013	$ 486,734	$ 19,317	$ (107,407)	$ (23)	$ 239	$ (339)	$ (123)	$ 83	$ 398,604
Net income	—	—	62,173	—	—	—	—	46	62,219
Other comprehensive income (loss)	—	—	923	36,639	(239)	(307)	36,093	—	37,016
Total comprehensive income (loss)	—	—	63,096	36,639	(239)	(307)	36,093	46	99,235
Stock-based compensation	—	2,082	—	—	—	—	—	—	2,082
Exercise of stock options	23,991	(6,374)	—	—	—	—	—	—	17,617
Balance, at March 31, 2014	$ 510,725	$ 15,025	$ (44,311)	$ 36,616	$ —	$ (646)	$ 35,970	$ 129	$ 517,538

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS *(In thousands of Canadian dollars)*

Years ended March 31	Note	2015	2014
Operating activities:			
Income from continuing operations		**$ 38,898**	$ 49,417
Items not involving cash			
Depreciation of property, plant and equipment		**8,208**	7,245
Amortization of intangible assets		**32,316**	11,210
Deferred income taxes	18	**1,002**	(2,067)
Other items not involving cash		**(5,952)**	2,210
Stock-based compensation	19	**4,316**	7,323
Loss on disposal of property, plant and equipment		**(295)**	23
Gain on sale of portfolio investment		**—**	(606)
		$ 78,493	$ 74,755
Change in non-cash operating working capital		**3,580**	(4,862)
Cash flows used in operating activities of discontinued operations	6	**(1,556)**	(6,966)
Cash flows provided by operating activities		**$ 80,517**	$ 62,927
Investing activities:			
Acquisition of property, plant and equipment	9	**$ (11,154)**	$ (4,260)
Acquisition of intangible assets	12	**(6,752)**	(6,843)
Business acquisition, net of cash acquired	5	**(355,381)**	(137,408)
Purchase of non-controlling interest	5	**(4,426)**	—
Proceeds from disposal of property, plant and equipment		**8,942**	155
Proceeds on sale of portfolio investments		**—**	5,247
Cash flows provided by investing activities of discontinued operations	6	**22,097**	21,846
Cash flows used in investing activities		**$ (346,674)**	$ (121,263)
Financing activities:			
Restricted cash	8	**$ 327**	$ 1,009
Bank indebtedness		**645**	(29)
Repayment of long-term debt		**(82,692)**	(40,310)
Proceeds from long-term debt		**363,653**	43,236
Issuance of common shares		**5,921**	17,617
Cash flows provided by financing activities		**$ 287,854**	$ 21,523
Effect of exchange rate changes on cash and cash equivalents		**6,215**	9,557
Increase (decrease) in cash and cash equivalents		**27,912**	(27,256)
Cash and cash equivalents, beginning of year		**78,614**	105,870
Cash and cash equivalents, end of year		**$ 106,526**	$ 78,614
Attributable to			
Cash and cash equivalents – continuing operations		**$ 106,052**	$ 76,466
Cash and cash equivalents – held for sale		**474**	2,148
		$ 106,526	$ 78,614
Supplemental information			
Cash income taxes paid by continuing operations		**$ 11,980**	$ 2,874
Cash interest paid by continuing operations		**$ 10,874**	$ 2,141

See accompanying notes to the consolidated financial statements.

Notes to Consolidated Financial Statements

1 CORPORATE INFORMATION

ATS Automation Tooling Systems Inc. and its subsidiaries (collectively "ATS" or "the Company") operate in one segment: Automation Systems. The Automation Systems segment designs and builds custom-engineered turn-key automated manufacturing and test systems and provides pre-automation and post-automation services to its customers. See note 21 to the consolidated financial statements.

In fiscal 2015, the Company completed its divestiture of the Ontario-based Solar business. Ontario Solar is presented as discontinued operations in the consolidated statements of income. See note 6 to the consolidated financial statements.

The Company is listed on the Toronto Stock Exchange and is incorporated and domiciled in Ontario, Canada. The address of its registered office is 730 Fountain Street North, Cambridge, Ontario, Canada.

The consolidated financial statements of the Company for the year ended March 31, 2015 were authorized for issue by the Board of Directors on May 20, 2015.

2 BASIS OF PREPARATION

These consolidated financial statements were prepared on a going concern basis under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss or other comprehensive income. All consolidated financial information is presented in Canadian dollars and has been rounded to the nearest thousands, except where otherwise stated.

Statement of compliance: These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis of consolidation: These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are those entities where the Company directly or indirectly owns the majority of the voting power or can otherwise control the activities. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Non-controlling interests in the equity and results of the Company's subsidiaries are presented separately in the consolidated statements of income and within equity in the consolidated statements of financial position.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The Company's material subsidiaries are: Automation Tooling Systems Enterprises Inc. and ATS Automation Tooling Systems GmbH. The Company has a 100% voting and equity securities interest in each of these corporations. All material intercompany balances, transactions, revenues and expenses and profits or losses, including dividends resulting from intercompany transactions, have been eliminated on consolidation.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BUSINESS COMBINATIONS AND GOODWILL: Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS policy.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquiree at the date of acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash-generating units ("CGUs") or groups of CGUs based on the level at which management monitors it. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the CGU retained.

(b) INTEREST IN JOINT ARRANGEMENTS: The Company has interests in joint operations, whereby the joint operators have a contractual arrangement that establishes joint control over the economic activities of the individual entity. The Company recognizes its share of the joint operation's assets, liabilities, revenues and expenses in the consolidated financial statements. The financial statements of the joint operations are prepared for the same reporting period as the parent Company.

(c) FOREIGN CURRENCY: Functional currency is the currency of the primary economic environment in which the subsidiary operates and is normally the currency in which the subsidiary generates and uses cash. Each subsidiary in the Company determines its own functional currency and items included in the consolidated financial statements of each subsidiary are measured using that functional currency. The Company's functional and presentation currency is the Canadian dollar.

Transactions: Foreign currency transactions are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate at the reporting date. All differences are recorded in the consolidated statements of income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Translation: The assets and liabilities of foreign operations are translated into Canadian dollars at period end exchange rates and their revenue and expense items are translated at exchange rates prevailing at the dates of the transactions. The resulting exchange differences are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statements of income.

(d) REVENUE RECOGNITION: Revenues are recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenues can be reliably measured. Revenues are measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes or duties. The following specific recognition criteria must be met before revenues are recognized:

Sale of goods: Revenues from the sale of goods are recognized when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on the delivery of goods or transfer of title to the customer.

Rendering of services: Revenues from services rendered are recognized when the stage of completion can be measured reliably. Service revenues include maintenance contracts, extended warranty and other services provided. Stage of completion of the contract is determined as follows:

/ Revenues from time and material contracts are recognized at the contractual rates as labour hours are delivered and direct expenses are incurred.
/ Revenues from long-term service contracts are recognized on a percentage of completion basis over the term of the contracts, unless there is a pattern of recognition that more accurately represents the stage of completion.

Construction contracts: Revenues from construction contracts are recognized using the percentage of completion method. The degree of completion is determined based on costs incurred, excluding costs that are not representative of progress to completion, as a percentage of total costs anticipated for each contract. Incentive awards, claims or penalty provisions are recognized when such amounts are likely to occur and can reasonably be estimated. When the outcome of a construction contract cannot be estimated reliably, contract revenues are recognized only to the extent of contract costs incurred that are likely to be recoverable. A complete provision is made for losses on contracts in progress when such losses first become known. Revisions in cost and profit estimates, which can be significant, are reflected in the accounting period in which the relevant facts become known.

(e) INVESTMENT TAX CREDITS AND GOVERNMENT GRANTS: Investment tax credits are accounted for as a reduction in the cost of the related asset or expense where there is reasonable assurance that such credits will be realized. Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be met. When the grant relates to an expense item, it is deducted from the cost that it is intended to compensate. When the grant relates to an asset, it is deducted from the cost of the related asset. If a grant becomes repayable, the inception to date impact of the assistance previously recognized in earnings is reversed immediately in the period in which the assistance becomes repayable.

(f) TAXES:
Current income tax: Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Company operates and generates taxable income. Current income tax related to items recognized directly in equity is also recognized in equity and not in the consolidated statements of income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax: Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset will be realized or the liability will be settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized for all taxable temporary differences, except:

/ When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
/ In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint operations, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

/ When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
/ In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint operations, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that all or part of the deferred income tax asset will be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable the benefit will be recovered.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax related to items recognized outside profit or loss is also recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Income tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances existing at the acquisition date changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

Revenues, expenses and assets are recognized net of the amount of sales tax, except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of accounts receivable or accounts payable in the consolidated statements of financial position.

(g) NON-CURRENT ASSETS CLASSIFIED AS ASSETS HELD FOR SALE: Non-current assets classified as assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be derecognized principally through a sale transaction rather than recovered through continuing use. This condition is regarded as being met only when the transaction is highly probable and the assets are available for immediate sale in their present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed transaction within one year from the date of classification. In the consolidated statements of income of the reporting period, and of the comparable period, revenues and expenses from discontinued operations are reported separately from revenues and expenses from continuing operations, down to the level of net income after income taxes.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(h) PROPERTY, PLANT AND EQUIPMENT: Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, ATS derecognizes the replaced part and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statements of income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	25 to 40 years
Production equipment	3 to 10 years
Other equipment	3 to 10 years

Leasehold improvements are amortized over the shorter of the term of the related lease or their remaining useful life on a straight-line basis.

An item of property, plant and equipment or any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or eventual disposition. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of income when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(i) LEASES: The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases, which transfer to ATS substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between finance charges and the reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the consolidated statements of income.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that ATS will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Leases where ATS does not assume substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statements of income on a straight-line basis over the lease term.

(j) BORROWING COSTS: Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(k) INVESTMENT PROPERTY: Investment properties, which are properties held to earn rental income and/or for capital appreciation, are measured at acquisition cost less straight-line depreciation and impairment losses. The depreciation policy for investment property is consistent with the policy for owner-occupied property.

(l) INTANGIBLE ASSETS: Acquired intangible assets are primarily software, patents, customer relationships, brands, technologies and licenses. Intangible assets acquired separately are initially recorded at fair market value and subsequently at cost less accumulated amortization and impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives, ranging from 1 to 20 years, on a straight-line basis. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as a change in accounting estimate. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives, primarily brands, are not amortized. The Company assesses the indefinite life at each reporting date to determine if there is an indication that an intangible asset may be impaired. If any indication exists, or when annual impairment testing for the intangible asset is required, the Company estimates the recoverable amount at the CGU level to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. An asset is impaired when the recoverable amount is less than their carrying amount. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Impairment losses relating to intangible assets are evaluated for potential reversals when events or changes in circumstances warrant such consideration.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of income when the asset is derecognized.

Research and development expenditures: Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset only when the following conditions are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The Company's intention to complete and its ability to use or sell the intangible asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the intangible asset.
- The ability to measure reliably the expenditures during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of revenues. In the event that a product program for which costs have been deferred is modified or cancelled, the Company will assess the recoverability of the deferred costs and if considered unrecoverable, will expense the costs in the period the assessment is made.

(m) FINANCIAL INSTRUMENTS:
Financial assets: Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. ATS determines the classification of its financial assets at initial recognition.

All financial assets other than financial assets at fair value through profit or loss are recognized initially at fair value plus directly attributable transaction costs.

ATS' financial assets include cash and cash equivalents, accounts receivable, investments in equities included in portfolio investments and derivative financial instruments.

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in selling, general and administrative expenses in the consolidated statements of income.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less provisions for doubtful accounts. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included in net finance costs in the consolidated statements of income. The losses arising from impairment are recognized in the consolidated statements of income in net finance costs.

Available-for-sale financial assets: Available-for-sale financial assets include equity securities, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income until the investment is derecognized, at which time the cumulative gain or loss is recognized in selling, general and administrative expenses, or determined to be impaired, at which time the cumulative loss is reclassified to the consolidated statements of income and removed from other comprehensive income.

Derecognition: A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or ATS has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets: The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For available-for-sale financial assets, the Company assesses at each reporting date whether there is objective evidence that an asset or a group of assets is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the consolidated statements of income — is removed from other comprehensive income and recognized in the consolidated statements of income. Impairment losses on equity investments are not reversed through the statements of consolidated income; increases in their fair value after impairments are recognized directly in other comprehensive income.

Financial liabilities: Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs.

The Company's financial liabilities include accounts payable and accrued liabilities, bank indebtedness, long-term debt and derivative financial instruments.

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of income.

Loans and borrowings: After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Derecognition: A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of income.

Fair value of financial instruments: The Company primarily applies the market approach for recurring fair value measurements. Three levels of inputs may be used to measure fair value:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included in Level 1 that are observable or can be corroborated by observable market data

Level 3 – unobservable inputs that are supported by no market activity

(n) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING: The Company may use derivative financial instruments such as forward foreign exchange contracts and interest rate swaps to hedge its foreign currency risk and interest rate risk, respectively. Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recorded directly in the consolidated statements of income, except for the effective portion of cash flow hedges and hedges of net investments, which are recognized in other comprehensive income.

The Company designates certain derivative financial instruments as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. The application of hedge accounting enables the recording of gains, losses, revenues and expenses from hedging items in the same period as those related to the hedged item. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess and measure the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine whether they have actually been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges: The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income, while any ineffective portion is recognized immediately in the consolidated statements of income.

Amounts recognized as other comprehensive income are transferred to the consolidated statements of income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized in other comprehensive income are transferred at the initial carrying amount of the non-financial asset or liability.

If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in equity is transferred to the consolidated statements of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecasted transaction or firm commitment affects profit or loss.

The Company uses forward foreign exchange contracts as hedges of its exposure to foreign currency risk on anticipated revenue or costs. The Company may use interest rate swap contracts with approved financial institutions to reduce its exposure to floating interest rates.

Hedges of net investments: Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument related to the effective portion of the hedge are recognized as other comprehensive income while any gains or losses related to the ineffective portion are recognized in the consolidated statements of income. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated statements of income. The Company may use forward foreign exchange contracts as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

(o) INVENTORIES: Inventories are stated at the lower of cost and net realizable value on a first-in, first-out basis. The cost of raw materials includes purchase cost and costs incurred in bringing each product to its present location and condition. The cost of work in progress and finished goods includes cost of raw materials, labour and related manufacturing overhead, excluding borrowing costs, based on normal operating capacity. Cost of inventories includes the transfer from equity of gains and losses on qualifying cash flow hedges in respect of the purchase of raw materials. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(p) IMPAIRMENT OF NON-FINANCIAL ASSETS: The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the consolidated statements of income in those expense categories consistent with the function of the impaired asset.

(q) PROVISIONS: Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty provisions: Provisions for warranty-related costs are recognized when the product is sold or the service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Restructuring provisions: Restructuring provisions are only recognized when general recognition criteria for provisions are fulfilled. Additionally, the Company needs to have in place a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and the appropriate timeline. The people affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

(r) EMPLOYEE BENEFITS: The Company operates pension plans in accordance with the applicable laws and regulations in the respective countries in which the Company conducts business. The pension benefits are provided through defined benefit and defined contribution plans. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method pro-rated on length of service and management's best estimate assumptions to value its pensions using a measurement date of March 31. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur in other comprehensive income. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and is recognized in the selling, general and administrative expenses in the consolidated statements of income.

The past service costs are recognized immediately in net earnings as an expense.

The defined benefit asset or liability comprises the present value of the defined benefit obligation using the current interest rate at the reporting date on high quality fixed income investments with maturities that match the expected maturities of the obligation, less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value is based on market price information and in the case of quoted securities it is the published bid price. The value of any defined benefit asset recognized is restricted to the sum of any past service costs and actuarial gains and losses not yet recognized and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

(s) STOCK-BASED PAYMENTS: The Company operates both equity-settled and cash-settled share-based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Company or cash payments.

For equity-settled plans, namely the Employee Share Purchase Plan and the Stock Option Plan, the fair value determined at the grant date is expensed on a proportionate basis consistent with the vesting features of each grant and incorporates an estimate of the number of equity instruments that will ultimately vest. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest based on the non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in the consolidated statements of income with a corresponding adjustment to equity. The proceeds received are credited to share capital and share premiums when the options are exercised.

For cash-settled plans, namely the Deferred Stock Unit Plan, the Share Appreciation Rights and the Restricted Share Units, the expense is determined based on the fair value of the liability incurred at each award date and at each subsequent statement of financial position date until the award is settled. The fair value of the liability is measured by applying quoted market prices. Changes in fair value are recognized in the consolidated statements of income in stock-based compensation expense.

(t) STANDARDS ADOPTED IN FISCAL 2015: Certain new standards and amendments to standards that were adopted on April 1, 2014 are noted below.

(i) Effective April 1, 2014, the Company applied IFRIC 21 for the first time. IFRIC 21 provides guidance on when to recognize a liability to pay a levy imposed by government that is accounted for in accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets.* The adoption of IFRIC 21 had no impact on the consolidated financial statements of the Company.

(u) THE FOLLOWING STANDARDS HAVE BEEN AMENDED TO REFLECT ANNUAL IMPROVEMENTS 2010-2012 CYCLE, ISSUED BY THE IASB IN MAY 2012:

(i) IFRS 2 – *Share-based Payments:* The IASB amended this standard to clarify the definition of a vesting condition and separately defines "performance condition" and "service condition." The amendment is effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

(ii) IFRS 3 – *Business Combinations:* The IASB amended this standard to clarify contingent consideration in a business combination. The amendment is effective for business combinations where the acquisition date is on or after July 1, 2014.

(iii) IFRS 8 – *Operating Segments:* Effective for interim and annual financial statements relating to fiscal years beginning on or after July 1, 2014, the IASB amended this standard to require disclosure of the judgements made by management in aggregating operating segments along with the requirement to include a reconciliation of segment assets to the entity's assets when segment assets are reported. The Company does not anticipate a significant impact to the financial statements related to these amendments.

(v) STANDARDS ISSUED BUT NOT YET EFFECTIVE: A number of new standards and amendments to standards have been issued but are not yet effective for the financial year ended March 31, 2015, and accordingly, have not been applied in preparing these consolidated financial statements.

(i) IFRS 15 – *Revenue from Contracts with Customers:* In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers* which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard will supersede all current revenue recognition requirements under IFRS.

The standard currently requires a full or modified retrospective application for annual periods beginning on or after January 1, 2017. In April 2015, the IASB proposed deferring the effective date of the standard to January 1, 2018. The IASB is expected to issue an exposure draft in May 2015 in relation to the proposed effective date deferral. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

(ii) IFRS 9 – *Financial Instruments:* In July 2014, the IASB issued the final version of IFRS 9 – *Financial Instruments* which replaces all phases of the financial instruments project, IAS 39 – *Financial Instruments: Recognition and Measurement*, and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

(iii) IAS 19 – *Employee Benefits:* The amendments to IAS 19 – *Employee Benefits* require an entity to consider contributions from employees or third parties when accounting for defined benefit plans. When the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

These amendments are effective for annual periods beginning on or after July 1, 2014. The Company is currently assessing the impact of adopting these amendments on its consolidated financial statements and does not expect any significant impact.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the end of the reporting period. However, uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The Company based its estimates, judgments and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the estimates when they occur.

The following are the critical judgments, estimates and assumptions that have been made in applying the Company's accounting policies and that have the most significant effect on the amounts in the consolidated financial statements:

ESTIMATES

(a) REVENUE RECOGNITION AND CONTRACTS IN PROGRESS: Revenues from construction contracts are recognized on a percentage of completion basis as outlined in note 3(d) "Construction contracts." In applying the accounting policy on construction contracts, judgment is required in determining the expected profitability of the contract and the estimated costs to complete a contract. These factors are reviewed at each reporting period and by their nature may give rise to income volatility.

(b) INCOME TAXES: Deferred income tax assets, disclosed in note 18, are recognized to the extent that it is probable that taxable income will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

If the assessment of the Company's ability to utilize the deferred tax asset changes, the Company would be required to recognize more or fewer of the deferred tax assets which would increase or decrease income tax expense in the period in which this is determined. The Company establishes provisions based on reasonable estimates for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous taxation audits and differing interpretations of tax regulations by the taxable entity and the respective tax authority. These provisions for uncertain tax positions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all the relevant factors. The Company reviews the adequacy of these provisions at each quarter. However, it is possible that at some future date an additional liability could result from audits by the taxation authorities. Where the final tax outcome of these matters is different from the amount initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(c) STOCK-BASED PAYMENT TRANSACTIONS: The Company measures the cost of transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for stock-based payment transactions requires the determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the future forfeiture rate, the expected life of the share option, weighted average risk-free interest rate, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for stock-based payment transactions are disclosed in note 19 to the consolidated financial statements.

(d) IMPAIRMENT OF NON-FINANCIAL ASSETS: Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. As disclosed in notes 11 and 12 to the consolidated financial statements, the calculations involve significant estimates and assumptions. Items estimated include cash flows, discount rates and assumptions on revenue growth rates. These estimates could affect the Company's future results if the current estimates of future performance and fair values change.

(e) EMPLOYEE BENEFITS: The cost of defined benefit pension plans and the present value of the pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

Further details about the assumptions used are provided in note 15.

(f) FAIR VALUE MEASUREMENT: Acquisitions that meet the definition of a business combination require the Company to recognize the assets acquired and liabilities assumed at their fair value on the date of the acquisition. The calculation of fair value of the assets and liabilities may require the use of estimates and assumptions, based on discounted cash flows, market information and using independent valuations and management's best estimates.

5 ACQUISITION

On September 1, 2014, the Company completed its acquisition of 100% of the shares of M+W Process Automation GmbH and ProFocus LLC (collectively Process Automation Solutions or "PA"). PA is a global provider of engineering-based automation services and solutions focused on the control, performance monitoring and measurement of critical production processes. It has been integrated with the Company's existing Automation Systems segment. The acquisition is aligned with the Company's stated strategy of scaling its position in the global automation market by adding to its services and life-cycle management capabilities across several core elements of the customer value chain.

The total cash consideration paid for PA was $367,210 (253,139 Euro). At the close of the transaction, $364,626 (251,241 Euro) was paid, with the balance paid in May 2015. In addition, the Company incurred $9,224 of transaction costs related to the acquisition which were recognized in selling, general and administrative expenses.

Cash used in investing activities is determined as follows:

Cash consideration	$	367,210
Less cash acquired		(11,829)
	$	355,381

The purchase cost was allocated to the underlying assets acquired and liabilities assumed based upon the estimated fair values at the date of acquisition. The Company determined the fair values based on discounted cash flows, market information, and using independent valuations and management's best estimates. Final valuations of intangible assets and certain assets are not yet complete due to the inherent complexity associated with valuations. Therefore, the purchase price allocation is preliminary and is subject to adjustment upon completion of the valuation process and analysis of resulting tax effects.

The preliminary allocation of the purchase price at fair value is as follows:

Purchase price allocation		
Cash	$	11,829
Current assets		67,273
Property, plant and equipment		3,233
Intangible assets with a definite life		
Technology		290
Customer relationships		100,140
Other		12,564
Current liabilities		(55,831)
Deferred income tax liability		(31,689)
Other long-term liabilities		(1,833)
Net identifiable assets		105,976
Residual purchase price allocated to goodwill		261,234
	$	367,210

Non-cash working capital includes accounts receivable of $21,924, representing gross contractual amounts receivable of $22,210 less management's best estimate of the contractual cash flows not expected to be collected of $286.

The primary factors that contributed to a residual purchase price that resulted in the recognition of goodwill are: the existing PA business; the acquired workforce; access to growth opportunities in new markets and with existing customers; and the combined strategic value to the Company's growth plan. Approximately $52,200 and $22,600 of the amounts assigned to goodwill and intangible assets respectively are expected to be deductible for tax purposes.

During the three-month period ended March 31, 2015, changes to the purchase price allocation resulted in a decrease in working capital of $2,684, a decrease in intangible assets of $290, a decrease in deferred income tax liability of $263 and an increase in goodwill of $5,295.

Included in the PA acquisition was the acquisition of a majority interest in a PA subsidiary, M+W Advanced Applications GmbH. On January 15, 2015, the Company increased its ownership from 74% to 100% of the subsidiary. The total cash consideration to be paid in respect of this increased ownership is expected to be $4,426 (3,199 Euro), which includes expected future payments of $1,327 (959 Euro) which are payable and subject to upward and downward adjustment of up to 50% of the expected future payments based on the achievement of certain operating performance targets over the next two years.

This acquisition was accounted for as a business combination with the Company as the acquirer of PA. The purchase method of accounting was used and the earnings have been consolidated from the acquisition date, September 1, 2014. PA has contributed approximately $151,448 in revenue and $949 in net income to fiscal 2015 results to date. If PA had been acquired at the beginning of ATS' fiscal year (April 1, 2014), the Company estimates that revenues from continuing operations and net income from continuing operations of the combined PA and ATS entity for the year ended March 31, 2015 would have been approximately $1,036,000 and $50,000 respectively.

6 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

(a) SOLAR: During the year ended March 31, 2015, the Company completed its divestiture of the Ontario-based Solar business.

During the year ended March 31, 2014, the Company's 50% owned joint operation, Ontario Solar PV Fields ("OSPV"), sold four ground-mount solar projects. OSPV retained 25% ownership of the projects until the projects reached commercial operation in October 2014. Net proceeds to the Company were $21,400, of which the Company received net proceeds of $7,500 during the year ended March 31, 2015 and $13,900 during the years ended March 31, 2014 and March 31, 2013. During the year ended March 31, 2015, the Company recognized a gain of $7,000 on the sale of the projects.

During the year ended March 31, 2015, the Company sold the three remaining ground-mount solar projects. Net proceeds to the Company were $14,600, and the Company recognized a gain of $9,700 on the sale of the projects.

Years ended		**March 31, 2015**		March 31, 2014
Revenues	**$**	**—**	$	1,079
Gain on sale		**16,693**		13,815
Operating costs and expenses		**(502)**		(2,088)
Income from discontinued operations		**16,191**		12,806
Net finance costs		**1**		4
Income from discontinued operations before income taxes		**16,190**		12,802
Income tax recovery		**8**		—
Income from discontinued operations, net of tax	**$**	**16,198**	$	12,802
Income per share				
Basic and diluted – from discontinued operations	**$**	**0.18**	$	0.14

Included in the year ended March 31, 2014 was a non-cash recovery of $3,000 related to the reversal of a warranty provision which was no longer required.

The major classes of assets and liabilities of Solar classified as associated with discontinued operations are as follows:

As at		**March 31, 2015**		March 31, 2014
Assets				
Cash and cash equivalents	**$**	**—**	$	2,148
Accounts receivable		**—**		31
Inventories		**—**		677
Deposits and prepaid assets		**—**		4,239
Other assets [i]		**—**		6,170
Assets held for sale	**$**	**—**	$	13,265
Liabilities				
Accounts payable and accrued liabilities	**$**	**—**	$	6,738
Provisions		**—**		36
Liabilities directly associated with assets held for sale	**$**	**—**	$	6,774
Net assets directly associated with disposal group	**$**	**—**	$	6,491

(i) Other assets primarily consisted of the remaining investment in the ground-mount solar projects.

(b) ATS WICKEL-UND MONTAGETECHNIK AG: On March 26, 2015, the Company signed an agreement to sell its Swiss-based subsidiary, ATS Wickel-und Montagetechnik AG, for net proceeds of $2,235 (1,715 CHF), pending post-closing adjustments. The sale is expected to close in the first quarter of fiscal 2016.

The major classes of assets and liabilities of ATS Wickel-und Montagetechnik AG classified as held for sale are as follows:

As at		**March 31, 2015**
Assets		
Cash and cash equivalents	**$**	**474**
Accounts receivable		**1,483**
Inventories		**238**
Costs and earnings in excess of billings on contracts in progress		**1,582**
Deposits, prepaids and other assets		**98**
Property, plant and equipment		**219**
Intangible assets		**127**
Assets held for sale	**$**	**4,221**
Liabilities		
Accounts payable and accrued liabilities	**$**	**1,632**
Billings in excess of costs and earnings on contracts in progress		**240**
Provisions		**130**
Employee benefits		**3,715**
Liabilities directly associated with assets held for sale	**$**	**5,717**
Net liabilities held for sale	**$**	**(1,496)**

7 CONSTRUCTION CONTRACTS AND INVENTORIES

As at		**March 31, 2015**		March 31, 2014
Contracts in progress:				
Costs incurred	**$**	**1,187,283**	$	870,970
Estimated earnings		**370,309**		258,694
		1,557,592		1,129,664
Progress billings		**(1,440,810)**		(1,042,796)
	$	**116,782**	$	86,868
Disclosed as:				
Costs and earnings in excess of billings on contracts in progress	**$**	**192,813**	$	146,231
Billings in excess of costs and earnings on contracts in progress		**(76,031)**		(59,363)
	$	**116,782**	$	86,868

As at		**March 31, 2015**		March 31, 2014
Inventories are summarized as follows:				
Raw materials	**$**	**11,708**	$	12,832
Work in progress		**28,984**		10,358
Finished goods		**1,387**		996
	$	**42,079**	$	24,186

The amount charged to net income and included in cost of revenues for the write-down of inventories for valuation issues during the year ended March 31, 2015 was $906 (March 31, 2014 – $390). The amount of inventories carried at net realizable value as at March 31, 2015 was $1,778 (March 31, 2014 – $2,158).

8 DEPOSITS, PREPAIDS AND OTHER ASSETS

As at		**March 31, 2015**		March 31, 2014
Prepaid assets	**$**	**6,937**	$	5,071
Restricted cash [i]		**409**		813
Supplier deposits		**5,537**		2,941
Forward foreign exchange contracts		**1,785**		796
Other assets		**63**		9
	$	**14,731**	$	9,630

(i) Restricted cash primarily consists of cash collateralized to secure letters of credit

9 PROPERTY, PLANT AND EQUIPMENT

		Land		**Buildings and leaseholds**		**Production equipment**		**Other equipment**		**Total**
Cost:										
Balance, at March 31, 2013	$	20,038	$	90,431	$	13,211	$	25,041	$	148,721
Additions		—		576		696		2,988		4,260
Acquisition of a subsidiary		—		1,714		62		1,395		3,171
Disposals		—		(1)		(353)		(1,614)		(1,968)
Exchange and other adjustments		1,813		7,226		1,811		1,745		12,595
Balance, at March 31, 2014	$	21,851	$	99,946	$	15,427	$	29,555	$	166,779
Additions		—		2,529		1,321		7,304		11,154
Acquisition of a subsidiary		—		944		123		2,166		3,233
Disposals		(1,228)		(19,598)		(993)		(2,363)		(24,182)
Exchange and other adjustments		50		1,637		(914)		(942)		(169)
Balance, at March 31, 2015	**$**	**20,673**	**$**	**85,458**	**$**	**14,964**	**$**	**35,720**	**$**	**156,815**

		Land		**Buildings and leaseholds**		**Production equipment**		**Other equipment**		**Total**
Depreciation:										
Balance, at March 31, 2013	$	—	$	(43,374)	$	(10,535)	$	(15,543)	$	(69,452)
Depreciation expense		—		(3,477)		(825)		(2,943)		(7,245)
Disposals		—		—		302		1,491		1,793
Exchange and other adjustments		—		(3,794)		(1,439)		(1,230)		(6,463)
Balance, at March 31, 2014	$	—	$	(50,645)	$	(12,497)	$	(18,225)	$	(81,367)
Depreciation expense		—		(3,138)		(767)		(4,303)		(8,208)
Disposals		—		12,440		952		2,167		15,559
Exchange and other adjustments		—		(434)		922		614		1,102
Balance, at March 31, 2015	**$**	**—**	**$**	(41,777)	**$**	(11,390)	**$**	(19,747)	**$**	(72,914)
Net book value:										
At March 31, 2015	**$**	**20,673**	**$**	**43,681**	**$**	**3,574**	**$**	**15,973**	**$**	**83,901**
At March 31, 2014	$	21,851	$	49,301	$	2,930	$	11,330	$	85,412

Included in other equipment as at March 31, 2015 is $1,341 (March 31, 2014 – $70) of assets which are under construction and have not been depreciated.

⑩ INVESTMENT PROPERTY

	2015	2014
Opening	**$ 4,341**	$ 3,712
Foreign exchange adjustment	**(461)**	629
Balance, at March 31	**$ 3,880**	$ 4,341

The estimated fair value of the Company's investment property at March 31, 2015 and March 31, 2014 approximates its carrying value, based on comparable market data for similar properties. The investment property is a plot of vacant land which does not earn any rental income nor incur any direct operating expenses, including repairs and maintenance.

⑪ GOODWILL

The carrying amount of goodwill acquired through business combinations has been allocated to a group of CGUs which combine to form a single operating segment being Automation Systems Group, as follows:

As at	March 31, 2015	March 31, 2014
Automation Systems Group	**$ 405,881**	$ 151,731

	2015	2014
Balance at April 1	**$ 151,731**	$ 58,542
Acquisition – IWK	**—**	79,404
Acquisition – PA	**261,234**	—
Foreign exchange	**(7,084)**	13,785
Balance at March 31	**$ 405,881**	$ 151,731

The Company performed its annual impairment test of goodwill as at March 31, 2015. The recoverable amount of the group of CGUs is determined based on fair value less costs to sell using a capitalized EBITDA approach. This approach requires management to estimate maintainable future EBITDA and capitalize this amount by rates of return which incorporate the specific risks and opportunities facing the business. EBITDA includes net income from continuing operations less income taxes, net finance charges, depreciation and amortization.

In determining a maintainable future EBITDA, the historical operating results for the five years ended March 31, 2015 were compared to the budgeted results for the year ending March 31, 2016, as presented to and approved by the Board of Directors. Non-recurring and unusual items have been adjusted in order to normalize past EBITDA. Management selected capitalization rates in the range of 6.7% to 10.0% for the calculation of the reasonable range of capitalized EBITDA. As a result of the analysis, management did not identify impairment for this group of CGUs.

Management believes that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the group of CGUs.

⑫ INTANGIBLE ASSETS

	Development Projects	Computer software, licenses and other	Technology	Customer relationships	Brands	Total
Cost:						
Balance, at March 31, 2013	$ 3,795	$ 17,712	$ 9,670	$ 14,944	$ 4,413	$ 50,534
Additions	3,260	3,583	—	—	—	6,843
Acquisition of a subsidiary	—	2,827	11,107	56,091	7,775	77,800
Disposals	—	(186)	—	—	—	(186)
Exchange and other adjustments	63	1,511	2,585	7,666	1,504	13,329
Balance, at March 31, 2014	$ 7,118	$ 25,447	$ 23,362	$ 78,701	$ 13,692	$ 148,320
Additions	3,529	3,223	—	—	—	6,752
Acquisition of a subsidiary	174	12,390	290	100,140	—	112,994
Disposals	—	(273)	—	—	—	(273)
Exchange and other adjustments	(402)	(4,092)	(2,047)	(12,753)	(1,454)	(20,748)
Balance, at March 31, 2015	**$ 10,419**	**$ 36,965**	**$ 21,605**	**$ 166,088**	**$ 12,238**	**$ 247,045**

	Development Projects	Computer software, licenses and other	Technology	Customer relationships	Brands	Total
Amortization:						
Balance, at March 31, 2013	$ (3,134)	$ (9,662)	$ (3,040)	$ (7,083)	$ —	$ (22,919)
Amortization	(249)	(2,963)	(1,839)	(6,159)	—	(11,210)
Disposals	—	180	—	—	—	180
Exchange and other adjustments	(15)	(1,077)	(590)	(1,391)	—	(3,073)
Balance, at March 31, 2014	$ (3,398)	$ (13,522)	$ (5,469)	$ (14,633)	$ —	$ (37,022)
Amortization	(758)	(13,828)	(2,661)	(15,069)	—	(32,316)
Disposals	—	249	—	—	—	249
Exchange and other adjustments	32	3,620	474	1,528	—	5,654
Balance, at March 31, 2015	**$ (4,124)**	**$ (23,481)**	**$ (7,656)**	**$ (28,174)**	**$ —**	**$ (63,435)**
Net book value:						
At March 31, 2015	**$ 6,295**	**$ 13,214**	**$ 13,949**	**$ 137,914**	**$ 12,238**	**$ 183,610**
At March 31, 2014	$ 3,720	$ 11,925	$ 17,893	$ 64,068	$ 13,692	$ 111,298

Included in computer software, licenses and other intangibles as at March 31, 2015 is $150 of intangible assets which are in development and have not been depreciated (March 31, 2014 – $1,719 in development projects and $4,663 in computer software, licenses and other intangibles). Research and development costs that are not eligible for capitalization have been expensed and are recognized in cost of revenues.

The Company performed its annual impairment test of indefinite-lived intangible assets as at March 31, 2015. The intangible assets acquired during the year ended March 31, 2015 related to PA were recorded at fair value based on discounted cash flows, market information, and using independent valuations and management's best estimates. The recoverable amount of the previously acquired intangible assets was estimated based on a value in use calculation using the present value of the future cash flows expected to be derived by the related subsidiaries. This approach requires management to estimate cash flows which include EBIT from continuing operations less income taxes, depreciation and amortization and capital expenditures.

In determining future cash flows, the budgeted results for the year ending March 31, 2016, as presented to and approved by the Board of Directors were extrapolated for a five-year period. Management used pre-tax discount rates in the range of 15% to 20% to determine the present value of the future cash flows. As a result of the analysis, management did not identify an impairment of the intangible assets and any reasonable change in assumptions would not result in impairment.

⓭ FINANCIAL INSTRUMENTS

(i) CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES: The carrying values of the Company's financial instruments are classified into the following categories:

As at					**March 31, 2015**
	Fair value through profit or loss	**Cash flow hedges**	**Loans, borrowings, and receivables**	**Other liabilities**	**Total carrying value**
Cash and cash equivalents	**$ —**	**$ —**	**$ 106,052**	**$ —**	**$ 106,052**
Trade accounts receivable	**—**	**—**	**138,476**	**—**	**138,476**
Bank indebtedness	**—**	**—**	**(1,731)**	**—**	**(1,731)**
Trade accounts payable and accrued liabilities	**—**	**—**	**—**	**(172,115)**	**(172,115)**
Long-term debt	**—**	**—**	**—**	**(289,526)**	**(289,526)**
Derivatives classified as held for trading – loss [i]	**(259)**	**—**	**—**	**—**	**(259)**
Derivatives designated as cash flow hedges – loss [i]	**—**	**(3,029)**	**—**	**—**	**(3029)**

As at					March 31, 2014
	Fair value through profit or loss	Cash flow hedges	Loans, borrowings, and receivables	Other liabilities	Total carrying value
Cash and cash equivalents	$ —	$ —	$ 76,466	$ —	$ 76,466
Trade accounts receivable	—	—	104,678	—	104,678
Bank indebtedness	—	—	(913)	—	(913)
Trade accounts payable and accrued liabilities	—	—	—	(121,306)	(121,306)
Long-term debt	—	—	—	(5,139)	(5,139)
Derivatives classified as held for trading – gain [i]	535	—	—	—	535
Derivatives designated as cash flow hedges – loss [i]	—	(862)	—	—	(862)

(i) Derivative financial instruments in a gain position are included in deposits, prepaids and other assets and derivative financial instruments in a loss position are included in accounts payable and accrued liabilities on the consolidated statements of financial position.

(ii) FAIR VALUE MEASUREMENTS: The following table presents information about the Company's assets and liabilities measured at fair value on a recurring basis as at March 31, 2015 and March 31, 2014 and indicates the fair value hierarchy of the valuation techniques used to determine such fair value:

As at					**March 31, 2015**
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Fair value total**
Measured at fair value:					
Derivatives classified as held for trading	**$ (259)**	**$ —**	**$ (259)**	**$ —**	**$ (259)**
Derivatives designated as cash flow hedges	**(3,029)**	**—**	**(3,029)**	**—**	**(3,029)**
Disclosed at fair value:					
Investment property	**3,880**	**—**	**—**	**3,880**	**3,880**
Bank indebtedness	**(1,731)**	**—**	**(1,731)**	**—**	**(1,731)**
Long-term debt	**(289,526)**	**—**	**(289,526)**	**—**	**(289,526)**

As at					March 31, 2014
	Carrying value	Level 1	Level 2	Level 3	Fair value total
Measured at fair value:					
Derivatives classified as held for trading	$ 535	$ —	$ 535	$ —	$ 535
Derivatives designated as cash flow hedges	(862)	—	(862)	—	(862)
Disclosed at fair value:					
Investment property	4,341	—	—	4,341	4,341
Bank indebtedness	(913)	—	(913)	—	(913)
Long-term debt	(5,139)	—	(5,139)	—	(5,139)

The estimated fair values of cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable and accrued liabilities approximate their respective carrying values due to the short period to maturity. The estimated fair value of long-term debt approximates the carrying value due to interest rates approximating current market values. Derivative financial instruments are carried at fair value determined by reference to quoted bid or asking prices, as appropriate, in active markets at period-end dates. The derivative contract counterparties are highly rated multinational financial institutions.

During the years ended March 31, 2015 and March 31, 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

DERIVATIVE FINANCIAL INSTRUMENTS: The Company uses forward foreign exchange contracts to manage foreign currency exposure. Forward foreign exchange contracts that are not designated in hedging relationships are classified as held-for-trading, with changes in fair value recognized in selling, general and administrative expenses in the consolidated statements of income. During the year ended March 31, 2015, the fair value of derivative financial assets classified as held-for-trading and included in deposits, prepaids and other assets increased by $8 (increased by $564 during the year ended March 31, 2014) and the fair value of derivative financial liabilities classified as held-for-trading and included in accounts payable and accrued liabilities decreased by $800 during the year ended March 31, 2015 (decreased by $325 during the year ended March 31, 2014).

CASH FLOW HEDGES: During the years ended March 31, 2015 and March 31, 2014 there were no unrealized gains or losses recognized in selling, general and administrative expenses for the ineffective portion of cash flow hedges. After-tax unrealized gains of $2,268 and after-tax unrealized losses of $nil are included in accumulated other comprehensive income at March 31, 2015 and are expected to be reclassified to net income over the next 12 months when the revenue and purchases are recorded (unrealized gains of $646 and unrealized losses on $nil at March 31, 2014).

The following table summarizes the Company's commitments to buy and sell foreign currencies under forward foreign exchange contracts as at March 31, 2015:

Currency sold	Currency bought	Notional amount sold	Weighted average rate
U.S. dollars	Canadian dollars	47,875	1.1830
U.S. dollars	Euros	2,641	0.8925
U.S. dollars	Malaysian ringgits	7,076	0.2887
Swiss francs	Canadian dollars	1,256	1.3801
Singapore dollars	U.S. dollars	955	1.0000
Chinese renminbi	Euros	10,865	0.1515
Chinese renminbi	U.S. dollars	15,900	0.1607
Euros	Canadian dollars	26,785	1.3529
Euros	Swiss francs	798	1.2021
Euros	U.S. dollars	2,271	1.2229
Canadian dollars	Euros	14,132	0.7164
Canadian dollars	Great British pounds	1,465	0.5462
Canadian dollars	Singapore dollars	444	1.0902
Canadian dollars	Swiss francs	960	0.8418
Canadian dollars	U.S. dollars	16,507	0.8300

(iii) RISKS ARISING FROM FINANCIAL INSTRUMENTS AND RISK MANAGEMENT: The Company is exposed to financial risks that may potentially impact its operating results including market risks (foreign exchange rate, interest rate and other market price risks), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to mitigate exposure to fluctuations in foreign exchange rates. The Company does not enter into derivative financial agreements for speculative purposes.

Currency risk: The Company transacts business in multiple currencies, the most significant of which are the Canadian dollar, the U.S. dollar and the Euro. As a result, the Company has foreign currency exposure with respect to items denominated in foreign currencies. The types of foreign exchange risk can be categorized as follows:

Translation exposure: Assets and liabilities are translated into Canadian dollars using the exchange rates in effect at the statement of financial position dates. Unrealized translation gains and losses are deferred and included in accumulated other comprehensive income. The cumulative currency translation adjustments are recognized in income when there has been a reduction in the net investment in the foreign operations.

Foreign currency based earnings are translated into Canadian dollars each period at prevailing rates. As a result, fluctuations in the value of the Canadian dollar relative to these other currencies will impact reported net income. Foreign currency risks arising from the translation of assets and liabilities of foreign operations into the Company's functional currency are generally not hedged; however, the Company may decide to hedge this risk under certain circumstances. The Company has assessed the net foreign currency exposure of operations relative to their own functional currency. A fluctuation of +/- 5% in the Euro and U.S. dollar, provided as an indicative range in a volatile currency environment, would, everything else being equal, have an effect on accumulated other comprehensive income for the year ended March 31, 2015 of approximately +/- $23,733 and $16,242 respectively (2014 +/- $12,046 and $9,914) and on income from continuing operations before income taxes for the year ended March 31, 2015 of approximately +/- $138 and $677 respectively (2014 +/- $28 and $1,030).

Transaction exposure: The Company generates significant revenues in foreign currencies, primarily U.S. dollars, which exceed the natural hedge provided by purchases of goods and services in those currencies. In order to manage this net foreign currency exposure in subsidiaries which do not have the U.S. dollar as the functional currency, the Company enters into forward foreign exchange contracts. The timing and amount of these forward foreign exchange contracts are estimated based on existing customer contracts on hand or anticipated, current conditions in the Company's markets and the Company's past experience. As such, there is not a material transaction exposure.

Credit risk: Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of accounts receivable and derivative financial instruments. The carrying values of these assets represent management's assessment of the associated maximum exposure to such credit risk. Substantially all of the Company's trade accounts receivable are due from customers in a variety of industries and, as such, are subject to normal credit risks from their respective industries. The Company regularly monitors customers for changes in credit risk. The Company does not believe that any single industry or geographic region represents significant credit risk. Credit risk concentration with respect to trade receivables is mitigated by the Company's client base being primarily large, multinational customers and through insurance purchased by the Company.

Trade receivables – aged by due date as at	**March 31, 2015**	March 31, 2014
Current	**$ 115,298**	$ 80,729
1 – 30 days	**12,104**	9,894
31 – 60 days	**2,949**	3,954
61 – 90 days	**2,613**	1,293
Over 90 days	**7,801**	12,593
Total	**$ 140,765**	$ 108,463

The movement in the Company's allowance for doubtful accounts for the years ended March 31 was as follows:

	2015	2014
Balance at April 1	**$ 3,785**	$ 3,405
Provisions and revisions	**(1,487)**	512
Foreign exchange	**(9)**	(132)
Balance at March 31	**$ 2,289**	$ 3,785

The Company minimizes credit risk associated with derivative financial instruments by only entering into derivative transactions with highly rated multinational financial institutions, in order to reduce the risk of counterparty default.

Liquidity risk: Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. As at March 31, 2015, the Company was holding cash and cash equivalents of $106,052 (March 31, 2014 – $76,466) and had unutilized lines of credit of $376,873 (March 31, 2014 – $179,253). During the year ended March 31, 2015, the Company amended its senior secured credit facility (the "Credit Facility") as described in note 16 to the consolidated financial statements. The Company expects that continued cash flows from operations in fiscal 2016, together with cash and cash equivalents on hand and available credit facilities, will be more than sufficient to fund its requirements for investments in working capital, property, plant and equipment and strategic investments including some potential acquisitions, and that the Company's credit ratings provide reasonable access to capital markets to facilitate future debt issuance.

The Company's accounts payable primarily have contractual maturities of less than 90 days and the contractual cash flows equal their carrying value. The Company's long-term debt obligations and scheduled interest payments are presented in note 16 to the consolidated financial statements.

Interest rate risk: In relation to its debt financing, the Company is exposed to changes in interest rates, which may impact the Company's borrowing costs. Floating rate debt exposes the Company to fluctuations in short-term interest rates. As at March 31, 2015, $287,722 or 99% (March 31, 2014 – $3,592 or 70%) of the Company's total debt is subject to movements in floating interest rates. A +/- 1% change in interest rates in effect for the fiscal year would, all things being equal, have an impact of +/- $2,877 on income from continuing operations before income taxes for the year ended March 31, 2015 (March 31, 2014 – $36).

⓮ PROVISIONS

		Warranty		Restructuring		Other		Total
Balance, at March 31, 2013	$	8,152	$	117	$	827	$	9,096
Provisions made		5,080		6,118		7,070		18,268
Acquisition of a subsidiary		1,297		106		—		1,403
Provisions reversed		(5,170)		—		—		(5,170)
Provisions used		(3,106)		(4,652)		(6,099)		(13,857)
Exchange adjustments		579		46		47		672
Balance, at March 31, 2014	$	6,832	$	1,735	$	1,845	$	10,412
Provisions made		5,093		1,684		5,635		12,412
Acquisition of a subsidiary		254		—		—		254
Provisions reversed		(1,534)		—		(502)		(2,036)
Provisions used		(2,879)		(2,025)		(5,774)		(10,678)
Exchange adjustments		(64)		25		94		55
Balance, at March 31, 2015	**$**	**7,702**	**$**	**1,419**	**$**	**1,298**	**$**	**10,419**

WARRANTY PROVISIONS: Warranty provisions are related to sales of products and are based on experience reflecting statistical trends of warranty costs.

RESTRUCTURING: Restructuring charges are recognized in the period incurred and when the criteria for provisions are fulfilled. Termination benefits are recognized as a liability and an expense when the Company is demonstrably committed through a formal restructuring plan.

⓯ EMPLOYEE BENEFITS

The Company operates pension plans for certain of its employees through defined contribution plans and defined benefit plans. The costs associated with defined contribution plans are expensed as incurred. The most recent actuarial valuations of the defined benefit plans were completed as at March 31, 2015. The next valuations are scheduled to be as at March 31, 2016. The changes in the fair value of assets, the employee benefit obligation, and the funded status were:

As at		March 31, 2015		March 31, 2014
Accrued benefit obligations:				
Opening balance	**$**	**33,371**	$	21,116
Acquisition of a subsidiary		**1,313**		11,110
Interest cost		**1,058**		760
Service cost		**2,081**		1,008
Assumption changes		**4,095**		(618)
Contributions		**387**		336
Transfers and benefits paid		**(970)**		(3,623)
Insurance premiums		**(207)**		(208)
Foreign exchange		**(1,393)**		3,490
Accrued benefit obligations associated with assets held for sale		**(12,867)**		—
Accrued benefit obligations, ending balance	**$**	**26,868**	$	33,371
Plan assets:				
Opening balance	**$**	**10,158**	$	10,535
Interest income included in net interest expense		**328**		256
Net actuarial loss		**—**		276
Company contributions		**564**		664
Employee contributions		**387**		336
Transfers and benefits paid		**(213)**		(3,246)
Insurance premiums		**(207)**		(208)
Foreign exchange		**226**		1,545
Plan assets associated with assets held for sale		**(9,152)**		—
Plan assets, ending balance	**$**	**2,091**	$	10,158
Employee benefits liability	**$**	**24,777**	$	23,213

Amounts recognized in the consolidated statements of comprehensive income (before tax) were:

As at		2015		2014
Total actuarial gains (losses) recognized in OCI	**$**	**(4,245)**	$	894

The significant weighted average annual actuarial assumptions used in measuring the accrued benefit obligation were:

	March 31, 2015	March 31, 2014
Discount rate	**1.7%**	3.4%
Rate of compensation increase	**2.1%**	2.5%

SENSITIVITY ANALYSIS: Significant actuarial assumptions for the determination of the defined obligation are the discount rate and life expectancy. The sensitivity analyses have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

As at March 31, 2015, the following quantitative analysis shows changes to the significant actuarial assumptions and the corresponding impact to the accrued benefit obligations:

	Discount rate 1% increase	Discount rate 1% decrease	Life expectancy Increase by 1 year	Life expectancy Decrease by 1 year
Accrued benefit obligations	$ (3,532)	$ 4,430	$ 936	$ (922)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The weighted average allocations of plan assets were:

	March 31, 2015	March 31, 2014
Equity securities	10.9%	11.0%
Debt securities	40.9%	41.2%
Real estate	22.8%	22.9%
Other	25.4%	24.9%

The fair values of equity securities and debt securities plan assets are determined based on generally quoted market prices in active markets. The fair value of real estate plan assets is valued based on appraisals performed by a qualified external real estate appraiser.

No plan assets were directly invested in the Company's securities.

The net employee benefits expense included the following components:

Years ended	March 31, 2015	March 31, 2014
Defined benefit plans		
Service cost	$ 1,949	$ 1,008
Interest cost	873	589
	2,822	1,597
Defined contribution plans	2,600	2,302
Net employee benefits expense	$ 5,422	$ 3,899

The Company expects to contribute $273 to its defined benefit plans during the year ended March 31, 2015.

The cumulative actuarial losses, net of income taxes, recognized as other comprehensive income as at March 31, 2015 was $1,410 (March 31, 2014 – $4,457).

16 BANK INDEBTEDNESS AND LONG-TERM DEBT

During the year ended March 31, 2015 the Company amended its senior secured credit facility (the "Credit Facility"). The Credit Facility provides a four-year committed revolving credit facility of $750,000 and matures on August 29, 2018. The Credit Facility is secured by (i) the Company's assets, excluding real estate; (ii) assets, excluding real estate, of certain of the Company's North American subsidiaries; and (iii) a pledge of shares of certain of the Company's non-North American subsidiaries. Certain of the Company's subsidiaries also provide guarantees under the Credit Facility. At March 31, 2015, the Company had utilized $375,018 under the Credit Facility, of which $290,000 was classified as long-term debt (March 31, 2014 – $nil) and $85,018 by way of letters of credit (March 31, 2014 – $72,633).

The Credit Facility is available in Canadian dollars by way of prime rate advances and/or bankers' acceptances, in U.S. dollars by way of base rate advances and/or LIBOR advances, in Swiss francs, Euros and British pounds sterling by way of LIBOR advances and by way of letters of credit for certain purposes in Canadian dollars, U.S. dollars and Euros. The interest rates applicable to the Credit Facility are determined based on a debt to EBITDA ratio. For prime rate advances and base rate advances, the interest rate is equal to the bank's prime rate or the bank's U.S. dollar base rate in Canada, respectively, plus a margin ranging from 0.45% to 2.00%. For bankers' acceptances and LIBOR advances, the interest rate is equal to the bankers' acceptance fee or the LIBOR, respectively, plus a margin that varies from 1.45% to 3.00%. The Company pays a fee for usage of financial letters of credit which ranges from 1.45% to 3.00% and a fee for usage of non-financial letters of credit which ranges from 0.97% to 2.00%. The Company pays a standby fee on the unadvanced portions of the amounts available for advance or draw-down under the Credit Facility at rates ranging from 0.29% to 0.68%.

The Credit Facility is subject to a debt to EBITDA test and an interest coverage test. Under the terms of the Credit Facility, the Company is restricted from encumbering any assets with certain permitted exceptions. The Credit Facility also limits advances to subsidiaries and partially restricts the Company from repurchasing its common shares and paying dividends.

The Company has additional credit facilities available of $9,075 (1,741 Euro, 200,000 Indian Rupees, 500 Swiss Francs, 50,000 Thai Baht and 438 Czech Koruna). The total amount outstanding on these facilities was $6,639, of which $1,731 was classified as bank indebtedness (March 31, 2014 – $913) and $4,908 was classified as long-term debt (March 31, 2014 – $5,774). The interest rates applicable to the credit facilities range from 1.85% to 10.25% per annum. A portion of the long-term debt is secured by certain assets of the Company. The 500 Swiss Francs and 200,000 Indian Rupees credit facilities are secured by letters of credit under the Credit Facility.

(i) BANK INDEBTEDNESS

As at	March 31, 2015	March 31, 2014
Other facilities	$ 1,731	$ 913

(ii) LONG-TERM DEBT

As at	March 31, 2015	March 31, 2014
Senior secured credit facility	$ 290,000	$ —
Other facilities	4,908	5,774
Issuance costs	(5,382)	(635)
	289,526	5,139
Less: current portion	3,372	3,815
	$ 286,154	$ 1,324

Scheduled principal repayments and interest payments on long-term debt from continuing operations as at March 31, 2015 are as follows:

As at	Principal	Interest
Less than one year	$ 3,372	$ 6,813
One – two years	339	5,177
Two – three years	268	3,374
Three – four years	284,900	1,230
Four – five years	249	47
Thereafter	398	43
	$ 289,526	$ 16,684

⓱ SHARE CAPITAL

Authorized share capital of the Company consists of an unlimited number of common shares, without par value, for unlimited consideration. The changes in the common shares issued and outstanding during the period presented were as follows:

	Number of common shares	Share capital
Balance, at March 31, 2013	87,851,293	$ 486,734
Exercise of stock options	2,942,254	23,991
Balance, at March 31, 2014	90,793,547	$ 510,725
Exercise of stock options	836,118	8,393
Balance, at March 31, 2015	**91,629,665**	**$ 519,118**

⓲ TAXATION

RECONCILIATION OF INCOME TAXES: Income tax expense differs from the amounts which would be obtained by applying the combined Canadian basic federal and provincial income tax rate to income before income taxes. These differences result from the following items:

Years ended	March 31, 2015	March 31, 2014
Income from continuing operations before income taxes and non-controlling interest	**$ 55,060**	$ 58,017
Combined Canadian basic federal and provincial income tax rate	**26.50%**	26.50%
Income tax expense based on combined Canadian basic federal and provincial income tax rate	**$ 14,591**	$ 15,375
Increase (decrease) in income taxes resulting from:		
Adjustments in respect to current income tax of previous periods	**862**	(444)
Non-taxable income net of non-deductible expenses	**1,695**	795
Recognition/use of previously unrecognized assets	**(1,797)**	(8,767)
Income taxed at different rates and statutory rate changes	**1,368**	2,033
Manufacturing and processing allowance and all other items	**(557)**	(392)
At the effective income tax rate of 29.4% (2014 – 14.8%)	**$ 16,162**	$ 8,600
Income tax expense reported in the consolidated statements of income:		
Current tax expense	**$ 15,160**	$ 10,667
Deferred tax expense	**1,002**	(2,067)
	$ 16,162	$ 8,600
Deferred tax related to items charged or credited directly to equity:		
Net gain on revaluation of cash flow hedges	**$ 545**	$ 90
Other items recognized through equity	**5,032**	111
Income tax charged directly to equity	**$ 5,577**	$ 201

(ii) COMPONENTS OF DEFERRED INCOME TAX ASSETS AND LIABILITIES: Deferred income taxes are provided for the differences between accounting and tax bases of assets and liabilities. Deferred income tax assets and liabilities are comprised of the following:

As at	March 31, 2015	March 31, 2014
Accounting income not currently taxable	**$ (32,895)**	$ (25,799)
Intangibles	**(37,301)**	(19,738)
Investment tax credits taxable in future years when utilized	**(8,250)**	(7,074)
Loss available for offset against future taxable income	**5,258**	9,360
Property, plant and equipment	**2,549**	2,758
Scientific research and experimental development expenditures available for offset against future taxable income	**26,809**	22,902
Other	**8,017**	8,682
Net deferred income tax liability	**$ (35,813)**	$ (8,909)

Presented as:	March 31, 2015	March 31, 2014
Deferred income tax asset	**$ 5,057**	$ 7,838
Deferred income tax liability	**(40,870)**	(16,747)
Net deferred income tax liability	**$ (35,813)**	$ (8,909)

(iii) UNRECOGNIZED DEFERRED INCOME TAX ASSETS: Deferred tax assets have not been recognized in respect of the following items (gross amount):

As at	March 31, 2015	March 31, 2014
Deductible temporary differences	**$ 1,732**	$ 1,360
Loss available for offset against future taxable income	**53,903**	56,477
	$ 55,635	$ 57,837

LOSS CARRYFORWARDS: As at March 31, 2015, the Company has the following net operating loss carryforwards which are scheduled to expire in the following years:

Year of expiry	Non-Canadian	Canadian
2017 – 2019	**$ 2,375**	**$ —**
2020 – 2024	**10,080**	**—**
2025 – 2029	**669**	**6,272**
2030 – 2035	**—**	**43,713**
No expiry	**16,427**	**—**
	$ 29,551	**$ 49,985**

In addition, the Company has USA Federal and State capital loss carryforwards of US$13,456 (March 31, 2014 – US$13,456) and Canadian capital loss carryforwards of $243,375 (March 31, 2014 – $268,345) which do not expire.

INVESTMENT TAX CREDITS: As at March 31, 2015, the Company has investment tax credits ("ITC") available to be applied against future taxes payable in Canada of approximately $45,585 and in foreign jurisdictions of approximately $194. The investment tax credits are scheduled to expire as follows:

Year of expiry	Gross ITC balance
2025 – 2029	$ 24,637
2030 – 2034	21,142
	$ 45,779

The benefit of $33,107 (March 31, 2014 – $30,165) of these investment tax credits have been recognized in the consolidated financial statements. Unrecognized investment tax credits are scheduled to expire between 2028 and 2030.

(iv) The Company has determined that as of the reporting date, undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

(v) There are temporary differences of $61,104 associated with investments in subsidiaries for which no deferred tax liability has been recognized.

(vi) There are no income tax consequences attached to the payment of dividends in either 2015 or 2014 by the Company to its shareholders.

⓳ STOCK-BASED COMPENSATION

EMPLOYEE SHARE PURCHASE PLAN: Under the terms of the Company's Employee Share Purchase Plan, qualifying employees of the Company may set aside funds through payroll deductions for an amount up to a maximum of 10% of their base salary or $10,000 in any one calendar year. Subject to the member not making withdrawals from the plan, the Company makes contributions to the plan equal to 20% of a member's contribution to the plan during the year, up to a maximum of 1% of the member's salary or $2,000. Shares for the plan may be issued from treasury or purchased in the market as determined by the Company's Board of Directors. During the years ended March 31, 2015 and March 31, 2014, no shares were issued from treasury related to the plan.

DEFERRED STOCK UNIT PLAN: The Company offers a Deferred Stock Unit Plan ("DSU Plan") for members of the Board of Directors. Under the DSU Plan, each non-employee director may elect to receive his or her annual compensation in the form of notional common shares of the Company called deferred stock units ("DSUs"). The issue and redemption prices of each DSU are based on a five-day volume weighted average trading price of the Company's common shares for the five trading days prior to issuance or redemption. Under the terms of the DSU Plan, directors are not entitled to convert DSUs into cash until retirement from the Board of Directors. The value of each DSU, when converted to cash, will be equal to the market value of a common share of the Company at the time the conversion takes place. As at March 31, 2015, the value of the outstanding liability related to the DSUs was $4,632 (2014 – $5,425). The DSU liability is revalued at each reporting date based on the change in the Company's stock price. The change in the value of the DSU liability is included in the consolidated statements of income in the period of the change.

STOCK OPTION PLAN: The Company uses a stock option plan to attract and retain key employees, officers and directors. Under the Company's 1995 Stock Option plan (the "1995 Plan"), the shareholders have approved a maximum of 5,991,839 common shares for issuance, with the maximum reserved for issuance to any one person at 5% of the common shares outstanding at the time of the grant. Time vested stock options vest over four year periods. Performance-based stock options vest based on the Company's stock trading at or above a threshold for a specified number of minimum trading days in a fiscal quarter. For time vested stock options, the exercise price is the price of the Company's common shares on the Toronto Stock Exchange at closing for the day prior to the date of the grant. For performance-based stock options the exercise price is either the price of the Company's common shares on the Toronto Stock Exchange at closing for the day prior to the date of the grant or the five-day volume weighted average price of the Company's common shares on the Toronto Stock Exchange prior to the date of the grant. Stock options granted under the 1995 Plan may be exercised during periods not exceeding seven years from the date of grant, subject to earlier termination upon the option holder ceasing to be a director, officer or employee of the Company. Stock options issued under the 1995 Plan are non-transferable. Any stock option granted which is cancelled or terminated for any reason prior to exercise is returned to the pool and becomes available for future stock option grants. In the event that the stock option would otherwise expire during a restricted trading period, the expiry date of the stock option is extended to the 10th business day following the date of expiry of such period. In addition, the 1995 Plan restricts the grant of stock options to insiders that may be under the 1995 Plan.

Under the Company's 2006 Stock Option plan (the "2006 Plan"), the shareholders have approved a maximum of 5,159,000 common shares for issuance. The terms of the 2006 Plan are identical to those of the 1995 plan, except that the maximum number of common shares to be issued pursuant to the issue of options under the 2006 Plan is 5,159,000 common shares.

As at March 31, 2015, there are a total of 3,491,949 common shares remaining for future stock option grants under both plans (March 31, 2014 – 877,474).

Years ended March 31	**2015**			2014		
	Number of stock options		**Weighted average exercise price**	Number of stock options		Weighted average exercise price
Stock options outstanding, beginning of period	4,421,876	**$**	**8.81**	7,011,842	$	7.39
Granted	684,700		**14.68**	596,000		11.50
Exercised [i]	(836,118)		**7.08**	(2,942,254)		5.99
Forfeited/cancelled	(49,175)		**9.30**	(243,712)		8.61
Stock options outstanding, end of period	4,221,283	**$**	**10.10**	4,421,876	$	8.81
Stock options exercisable, end of period, time vested options	1,149,000	**$**	**7.62**	1,145,210	$	6.88
Stock options exercisable, end of period, performance based options	1,685,333	**$**	**9.89**	1,964,416	$	9.49

(i) For the year ended March 31, 2015, the weighted average share price at the date of exercise was $14.63 (March 31, 2014 – $13.41).

As at March 31, 2015	Stock options outstanding				Stock options exercisable		
Range of exercise prices	**Number outstanding**	**Weighted average remaining contractual life**		**Weighted average exercise price**	**Number exercisable**		**Weighted average exercise price**
$3.49 to 7.60	891,500	2.55 years	$	6.67	842,250	$	6.66
$7.61 to 10.00	1,175,084	4.11 years		8.81	927,584		8.74
$10.01 to 12.68	1,153,333	5.18 years		10.62	857,833		10.56
$12.69 to 15.23	1,001,366	6.31 years		14.19	206,666		12.87
$3.49 to 15.23	4,221,283	4.60 years	$	10.10	2,834,333	$	8.97

The expense associated with the Company's performance-based stock options is recognized in income over the estimated assumed vesting period at the time the stock options are granted. Upon the Company's stock price trading at or above a stock price performance threshold for a specified minimum number of trading days, the options vest. When the performance-based stock options vest, the Company is required to recognize all previously unrecognized expenses associated with the vested stock options in the period in which they vest.

The fair values of the Company's stock options issued during the periods presented were estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions. Expected stock price volatility was determined at the time of the grant by considering historical share price volatility. Expected stock option grant life was determined at the time of the grant by considering the average of the grant vesting period and the grant exercise period.

Years ended March 31	2015	2014
Weighted average risk-free interest rate	**1.49%**	1.51%
Dividend yield	**0%**	0%
Weighted average expected volatility	**31%**	42%
Weighted average expected life	**4.75 years**	4.75 years
Number of stock options granted:		
Time vested	**684,700**	596,000
Weighted average exercise price per option	**$ 14.68**	$ 11.50
Weighted average value per option:		
Time vested	**$ 4.22**	$ 4.33

SHARE APPRECIATION RIGHTS: During the year ended March 31, 2015 the Company did not grant any share appreciation rights ("SARs") (500,000 in the year ended March 31, 2014). The SARs gave the employee the right to receive a cash payment equal to the excess of the market value of a common share of the Company at the time of exercise over the exercise price of the rights. The SARs granted during the year ended March 31, 2014 vested over 18 months. The SARs vest upon successful achievement of certain non-market performance criteria and expire 21 months from the date of issue. The Company's vested SARs are measured at each reporting date at their fair value.

The fair values of the Company's unvested SARs are measured at each reporting date using the Black-Scholes option pricing model with the following weighted average assumptions. Expected stock price volatility was determined by considering historical share price volatility. The expected SARs grant life was determined by considering the average of the estimated grant vesting period and the grant expected life.

Years ended March 31	2015	2014
Weighted average risk-free interest rate	**0.53%**	1.08%
Dividend yield	**0%**	0%
Weighted average expected volatility	**28%**	27%
Weighted average expected life	**3.28 years**	1.37 years
Weighted average exercise price per SAR	**$ 8.87**	$ 9.93
Weighted average value per SAR	**$ 5.41**	$ 4.76

The Company has recorded a liability of $302 as at March 31, 2015 (March 31, 2014 – $1,763) based on the SARs fair value. The market value of a common share of the Company as at March 31, 2015 was $13.58 (March 31, 2014 – $14.35). During the year ended March 31, 2015, 539,375 SARs vested (43,125 in the year ended March 31, 2014).

RESTRICTED SHARE UNIT PLAN: During the year ended March 31, 2015 the Company granted 82,140 time vesting restricted share units ("RSUs") (138,448 in the year ended March 31, 2014). The RSUs give the employee the right to receive a cash payment equal to the market value of a common share of the Company. During the year ended March 31, 2015 the Company granted 85,677 performance-based RSUs (86,000 in the year ended March 31, 2014). The performance-based RSUs vest upon successful achievement of certain operational and share price targets. The performance-based RSUs give the employee the right to receive a cash payment based on the market value of a common share of the Company. The weighted average remaining vesting period for the time vesting RSUs and performance-based RSUs is 1.2 years. The RSUs liability is recognized quarterly based on the expired portion of the vesting period and the change in the Company's stock price. At March 31, 2015, the value of the outstanding liability related to the RSU plan was $2,223 (March 31, 2014 – $1,148).

20 COMMITMENTS AND CONTINGENCIES

The minimum operating lease payments, related primarily to facilities and equipment, and purchase obligations are as follows:

	Operating leases	Purchase obligations
Less than one year	$ 9,672	$ 54,529
One – two years	8,284	410
Two – three years	5,336	—
Three – four years	3,855	—
Four – five years	3,280	—
Due in over five years	4,019	—
	$ 34,446	$ 54,939

The Company's off-balance sheet arrangements consist of purchase obligations and various operating lease financing arrangements related primarily to facilities and equipment which have been entered into in the normal course of business.

The Company's purchase obligations consist primarily of materials purchase commitments.

In accordance with industry practice, the Company is liable to customers for obligations relating to contract completion and timely delivery. In the normal conduct of its operations, the Company may provide bank guarantees as security for advances received from customers pending delivery and contract performance. In addition, the Company provides bank guarantees for post-retirement obligations and may provide bank guarantees as security on equipment under lease and on order. As at March 31, 2015, the total value of outstanding bank guarantees was approximately $117,989 under credit facilities from continuing operations (March 31, 2014 – $95,250 from continuing operations and $2,125 from discontinued operations).

In the normal course of operations, the Company is party to a number of lawsuits, claims and contingencies. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, the Company does not believe that the ultimate outcome of these matters will have a material impact on its consolidated financial position.

21 SEGMENTED DISCLOSURE

Solar is classified as discontinued operations in the consolidated statements of income. As a result, the Company's continuing operations are reported as one operating segment, Automation Systems, which plans, allocates resources, builds capabilities and implements best practices on a global basis.

Geographic segmentation of revenues is determined based on the customer's installation site. Non-current assets represent property, plant and equipment and intangible assets that are attributable to individual geographic segments, based on location of the respective operations.

As at		**March 31, 2015**
	Property, plant and equipment	**Intangible assets**
Canada	**$ 23,551**	**$ 9,893**
United States	**26,350**	**5,766**
Germany	**23,346**	**167,474**
China	**1,212**	**53**
Other Europe	**6,752**	**100**
Asia-Pacific and other	**2,690**	**324**
Total Company	**$ 83,901**	**$ 183,610**

As at		March 31, 2014
	Property, plant and equipment	Intangible assets
Canada	$ 31,016	$ 9,774
United States	21,483	6,140
Germany	22,863	94,899
China	913	33
Other Europe	6,380	119
Asia-Pacific and other	2,757	333
Total Company	$ 85,412	$ 111,298

Revenues from external customers for the year ended	**2015**	2014
Canada	**$ 58,414**	$ 34,753
United States and Mexico	**392,039**	293,650
Germany	**164,966**	106,034
China	**85,557**	55,839
Other Europe	**165,091**	86,364
Asia-Pacific and other	**70,010**	106,721
Total Company	**$ 936,077**	$ 683,361

For the years ended March 31, 2015 and March 31, 2014, the Company did not have revenues from any single customer which amounted to 10% or more of total consolidated revenues.

22 INTEREST IN JOINT OPERATIONS

During the year ended March 31, 2010, Ontario Solar entered into an agreement to establish Ontario Solar PV Fields Inc., a joint operation. Ontario Solar PV Fields Inc. is a joint arrangement with both parties involved having joint control with rights to the assets and obligations for the liabilities relating to the arrangement and, accordingly, the Company recognizes its 50% share of assets, liabilities, revenues and expenses in the consolidated financial statements. Ontario Solar PV Fields Inc. is currently presented as discontinued operations in the consolidated statements of income.

As at	**March 31, 2015**	March 31, 2014
Current assets	**$ 221**	$ 7,394
Current liabilities	**(3)**	(6,479)
Net assets	**$ 218**	$ 915

Years ended March 31	**2015**	2014
Net income	**$ 16,598**	$ 9,874

23 NET FINANCE COSTS

Years ended	**March 31, 2015**	March 31, 2014
Interest expense	**$ 12,080**	$ 3,248
Interest income	**(149)**	(232)
	$ 11,931	$ 3,016

24 EARNINGS PER SHARE

Years ended	**March 31, 2015**	March 31, 2014
Weighted average number of common shares outstanding	**91,164,938**	88,932,165
Dilutive effect of stock option conversion	**1,145,338**	1,151,962
Diluted weighted average number of common shares outstanding	**92,310,276**	90,084,127

For the year ended March 31, 2015, stock options to purchase 834,700 common shares are excluded from the weighted average number of common shares in the calculation of diluted earnings per share as they are anti-dilutive (670,000 common shares were excluded for the year ended March 31, 2014).

㉕ CAPITAL MANAGEMENT:

The Company's capital management framework is designed to ensure the Company has adequate liquidity, financial resources and borrowing capacity to allow financial flexibility and to provide an adequate return to shareholders. The Company defines capital as the aggregate of equity (excluding accumulated other comprehensive income), bank indebtedness, long-term debt and cash and cash equivalents.

The Company monitors capital using the ratio of total debt to equity. Total debt includes bank indebtedness, and long-term debt as shown on the consolidated statements of financial position. Net debt consists of cash and cash equivalents less total debt. Equity includes all components of equity, less accumulated other comprehensive income. This is unchanged from the previous year. The Company also monitors an externally imposed covenant of debt to EBITDA of not greater than 3 to 1. EBITDA includes net income from continuing operations less income taxes, net finance charges, depreciation and amortization. For the years ended March 31, 2015 and March 31, 2014, the Company operated with a ratio below the externally imposed covenant. The Company is prepared to increase the total debt to equity ratio and net debt to EBITDA ratio if appropriate opportunities arise.

The capital management criteria can be illustrated as follows:

As at	**March 31, 2015**	March 31, 2014
Equity excluding accumulated other comprehensive income	**$ 537,298**	$ 481,568
Long-term debt	**289,526**	5,139
Bank indebtedness	**1,731**	913
Cash and cash equivalents	**(106,052)**	(76,466)
Capital under management	**$ 722,503**	$ 411,154
Debt to equity ratio	**0.54:1**	0.01:1

㉖ RELATED PARTY DISCLOSURE

Transactions between each subsidiary and the subsidiaries and parent are eliminated on consolidation.

On April 1, 2014, the Company entered into an agreement with a shareholder, Mason Capital Management, LLC ("Mason Capital"), pursuant to which Mason Capital agreed to provide ATS with ongoing strategic and capital markets advisory services for an annual fee of $500 U.S. As part of the agreement, members of the Company's board of directors who are associated with Mason Capital have waived any fees to which they may have otherwise been entitled for serving as members of the board of directors or as members of any committee of the board of directors.

The remuneration of the Board of Directors (the "Board") and key management personnel is determined by the Board on recommendation from the Human Resources Committee of the Board:

As at	**March 31, 2015**	March 31, 2014
Salaries and benefits	**$ 2,599**	$ 2,435
Other non-equity incentive compensation	**4,098**	2,111
Fees	**414**	—
Stock-based compensation	**1,918**	4,592
Post-retirement benefits	**986**	945
Total remuneration	**$ 10,015**	$ 10,083

Stock-based compensation represents the remuneration of the Board and key management personnel as reported in the consolidated statements of income stock-based compensation expense.

Shareholder Information

CORPORATE HEADQUARTERS

730 Fountain Street North
Cambridge, Ontario
Canada, N3H 4R7
Tel: +1-519-653-6500

INVESTOR RELATIONS CONTACT

Carl Galloway
Tel: +1-519-653-6500
Email: investor@atsautomation.com

STOCK EXCHANGE LISTING

Toronto Stock Exchange "ATA"

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

WEBSITE

www.atsautomation.com

SHAREHOLDERS' ANNUAL MEETING

Thursday, August 13, 2015
10:00 a.m. Eastern
TMX Broadcast Centre
The Exchange Tower
130 King Street West
Toronto, Ontario

SENIOR MANAGEMENT – CORPORATE

Anthony Caputo
Chief Executive Officer

Maria Perrella
Chief Financial Officer

Carl Galloway
Corporate Vice-President, Treasurer

Roman Gula
Corporate Vice-President, Global Sales & Marketing

Charles Gyles
Corporate Vice-President, Organizational Effectiveness

Ronald Keyser
Chief Information Officer

Stewart McCuaig
Corporate Vice-President, General Council

SENIOR MANAGEMENT – OPERATIONS

Helmut Hock
Senior Vice-President, ASG Transportation

Sandra Ketchen
Senior Vice-President, ASG Products

Eric Kiisel
Senior Vice-President, ASG Energy & Industry

Shankar Kiru
Group President

Tom Kramer
Senior Vice-President, ASG Life Sciences

Board of Directors

NEIL D. ARNOLD (1, 3)

Mr. Arnold has over 35 years of experience in public company finance and general management. Most recently, he served as Executive Chairman of the Board of Directors of WHX Corp., a public holding company for primary industrial businesses. He also served as Group Finance Director of Lucas Varity, PLC, a public company providing components and systems to the global aerospace and automotive industries with revenues in excess of $7 billion. Prior to that Mr. Arnold was Chief Financial Officer of Varity Corporation (previously Massey-Ferguson Ltd.). He has served as a director of Lucas Varity, and WHX Corp. At present Mr. Arnold is a Director of Pembroke College Foundation of North America Inc. Mr. Arnold earned a B.A. in Engineering Science from Pembroke College, Oxford University and is a Fellow of the Chartered Institute of Management Accountants (UK).

ANTHONY CAPUTO

Mr. Caputo is the Chief Executive Officer of ATS Automation Tooling Systems Inc. As an experienced senior executive he brings a solid track record of over 25 years of delivering performance, growth and value creation in technology, manufacturing and service environments. Most recently Mr. Caputo served as Corporate Vice-President, President and COO of L-3 Communications, and prior to that he was the President and CEO of Spar Aerospace. Mr. Caputo holds a Bachelor of Technology in Engineering from Ryerson University and a Master of Science in Organizational Development from Pepperdine University.

MICHAEL E. MARTINO (2, 3)

Mr. Martino is a founder and principal of Mason Capital Management LLC. Mr. Martino began his investment career at Oppenheimer & Company where he was responsible for risk arbitrage research; he ended his tenure at Oppenheimer as Executive Director, Risk Arbitrage. He began his business career at GE Capital Corporation where he held positions in information systems and business analysis. He was formerly a director of Spar Aerospace Limited, a publicly-traded aerospace company. Mr. Martino graduated from Fairfield University with a degree in Political Science and earned a Masters in Business Administration in Finance and International Business from New York University's Stern School of Business.

DAVID L. MCAUSLAND (3)

Mr. McAusland, the Chairman of the Board, is a senior corporate strategist, advisor and lawyer who is a partner in the law firm McCarthy Tétrault. Previously, Mr. McAusland was Executive Vice-President, Corporate Development and Chief Legal Officer of Alcan Inc. where he provided leadership on its worldwide mergers, growth strategies, major transactions and capital investments. Mr. McAusland currently acts as director of Cogeco Inc./Cogeco Cable Inc., Cascades Inc., Khan Resources Inc., and Chairman of Montrusco Bolton Investments Inc. Mr. McAusland is also involved with several not-for-profit organizations: he is the Chairman of the Montreal General Hospital Foundation and Chairman of the National Circus School Foundation. Mr. McAusland received his B.C.L. in 1976 and his LL.B. in 1977, both from McGill University.

GORDON E. PRESHER (1, 2)

Mr. Presher is a uniquely qualified entrepreneur and technologist, possessing expertise and experience in both the automation technology and solar industries. He is the Co-Founder, Chairman and Chief Executive Officer of Solar Sentry Corp., a seed-stage developer of innovative monitoring equipment for the solar energy industry. Prior to Solar Sentry Mr. Presher was Chairman and Chief Executive Officer of Ormec Systems Corp., a factory automation firm specializing in precise motion control. He began his career as an automation-controls engineer at Eastman Kodak Company, progressing to project leader on two key corporate automation projects. Mr. Presher holds a Bachelor of Science in Physics and Math from Houghton College, and a Bachelor of Science in Electrical Engineering from University of Rochester.

IVAN ROSS (1, 2)

Mr. Ross joined Mason Capital Management in 2011 where he is currently a research analyst. Mr. Ross has over 25 years of experience in the financial industry. From 1992 to 2011, he worked at Goldman Sachs and spent most of his time in the Investment Banking Division's Corporate Finance and New Products Department, which he ran for many years as a Partner of the firm (promoted to Partner in 2002). Mr. Ross began his career in 1986 as a tax lawyer at Skadden, Arps in New York where he advised and structured complex merger and financing transactions. He holds a BS in Economics from the Wharton School, University of Pennsylvania (1983), and a J.D. from New York University School of Law (1986), where he was a member of the Order of the Coif and the Annual Survey of American Law. Mr. Ross currently serves on the Board of Directors of Mimeo.com, a business to business print and document services business headquartered in New York. He also serves as a member of the Board of Overseers at each of the Jacobson Leadership Program in Law and Business at New York University School of Law, and the Katz Center for Advanced Judaic Studies at the University of Pennsylvania.

DARYL C.F. WILSON (2,3)

Mr. Wilson is the President, CEO and director of Hydrogenics Corporation, a Canadian public company and hydrogen technology provider. Prior to joining Hydrogenics he was VP Manufacturing and Operations with Royal Group Technologies and Zenon Environmental Inc. Preceding that he served on the senior management team of Toyota Motor Manufacturing Canada. Mr. Wilson has been National Chair of the Environmental Quality Committee of the CMA. Mr. Wilson holds an MBA in Operations Management/Management Science from McMaster University; a Bachelor of Science in Chemical Engineering from the University of Toronto; and has obtained a Chartered Director designation (C.Dir.).

(1) Member of Audit and Finance Committee.
(2) Member of Human Resources Committee.
(3) Member of the Corporate Governance and Nominating Committee.

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