



Creating Value



ATS Creates Value

ATS enables many of the world's most successful companies to build products that consumers and businesses rely on today and those that will transform markets tomorrow. ATS is listed on the Toronto Stock Exchange under the symbol ATA.

Performance Highlights

(In millions of dollars, except per share data)

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Revenues	\$ 1,039.6	\$ 936.1	\$ 683.4
Earnings from operations	\$ 76.8	\$ 67.0	\$ 61.0
EBITDA ¹	\$ 116.1	\$ 107.5	\$ 79.4
Net income from continuing operations	\$ 39.6	\$ 38.9	\$ 49.4
Earnings per share – Basic from continuing operations	\$ 0.43	\$ 0.43	\$ 0.56
Adjusted earnings per share ¹	\$ 0.72	\$ 0.77	\$ 0.58
Order Bookings	\$ 1,070	\$ 981	\$ 709
Order Backlog	\$ 652	\$ 632	\$ 474

(1) Non-IFRS Measure.

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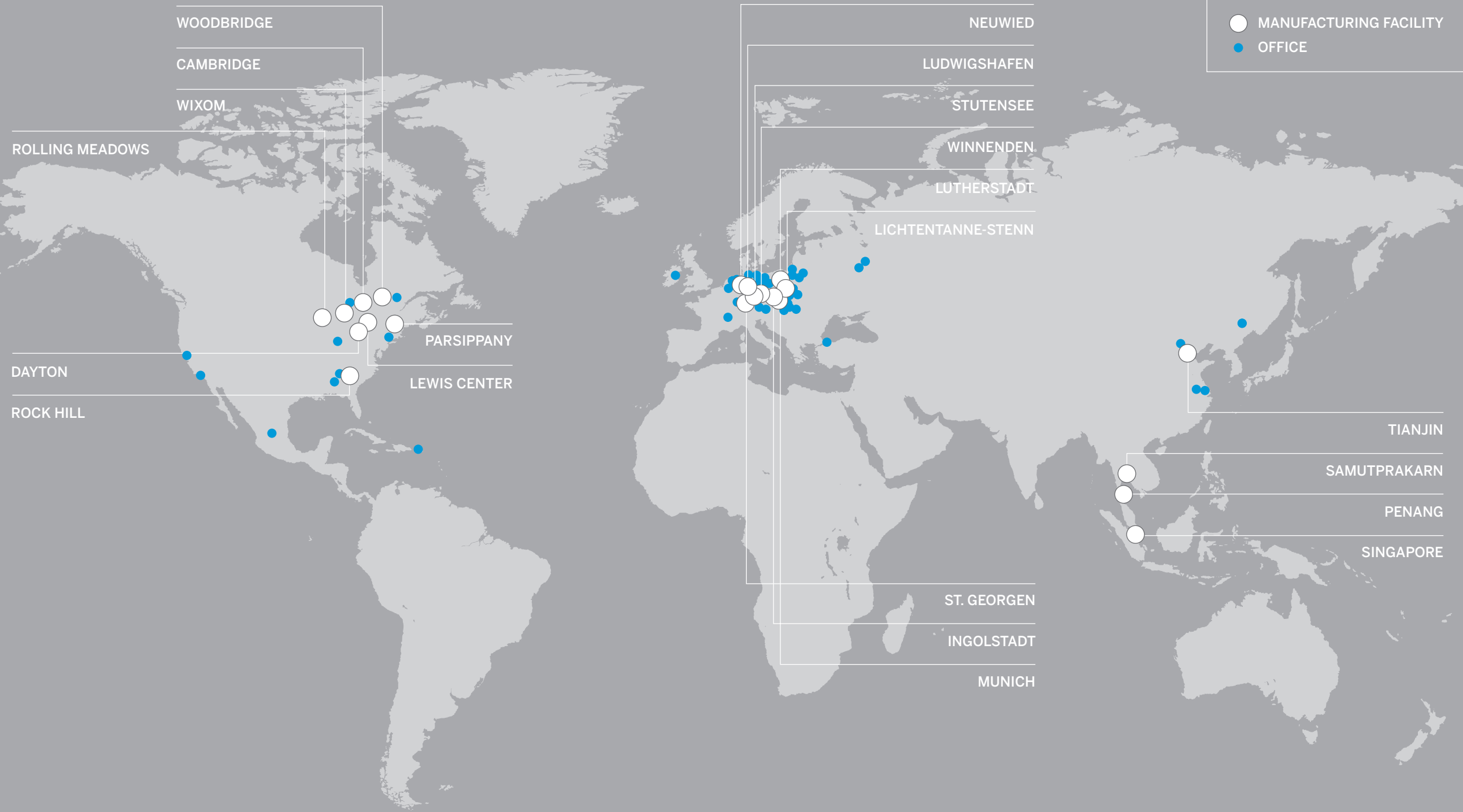
Shareholder Information

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Board of Directors

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

24 manufacturing facilities and over 50 offices in North America, Europe, Southeast Asia and China.

EXPERIENCE

Successful completion of over 23,000 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.

Pre Automation Capabilities

ATS creates value by proposing enabling manufacturing concepts that it validates through rigorous research and detailed planning.

DISCOVERY AND ANALYSIS

ATS investigates proposed products and product design for manufacturability as well as market prospects, regulatory requirements and potential operator staffing needs to arrive at optimal manufacturing and process control strategies.

CONCEPT DEVELOPMENT AND SIMULATION

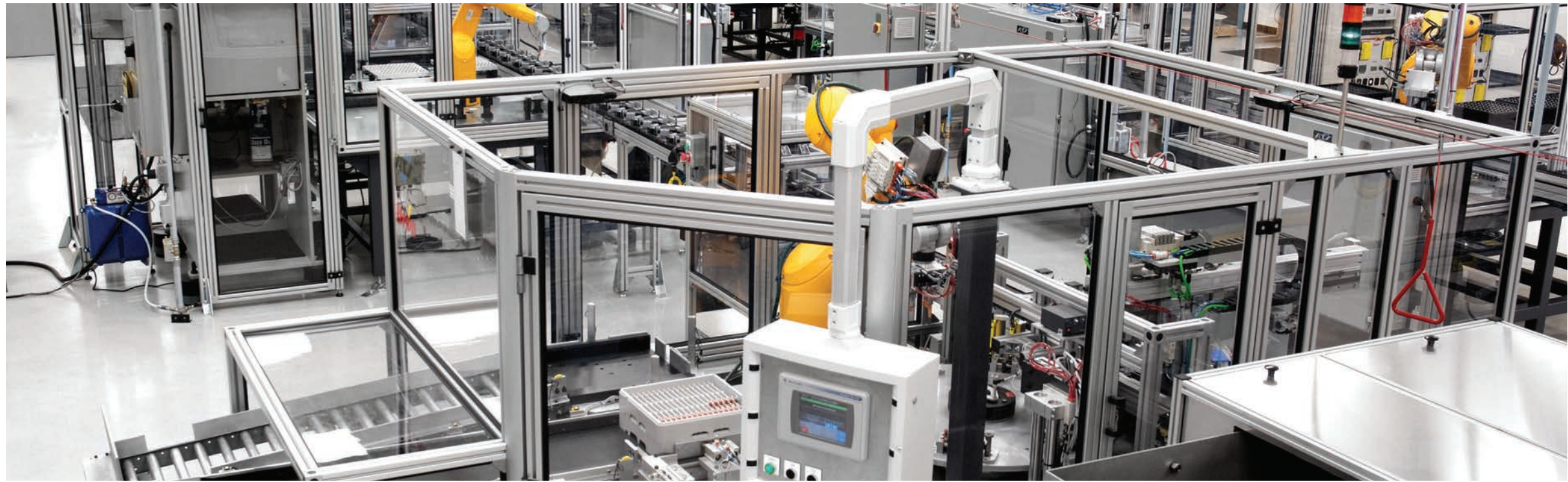
ATS simulates manufacturing plant and line concepts to illustrate spatial relationships, plan material flows and payload capacities before equipment is built to lower overall execution risk.

TOTAL COST OF OWNERSHIP MODELLING

ATS projects all-in operational costs including lifetime system maintenance expenses to enable customers to build a business case for investment and when advisable, adjust product and manufacturing concepts to improve payback.



Automation/Integration Capabilities



ATS creates value by leveraging a platform of automation, integration and standard products to deliver complete manufacturing solutions for customers on an enterprise and/or project basis.

DESIGN

ATS creates innovative new manufacturing solutions where existing commercial options are unavailable or outdated.

ENGINEER AND INTEGRATE

ATS uses its engineering know-how to build and integrate industry-leading technologies to meet the unique parameters and objectives called for in system design.

PROCESS AND FACILITIES CONTROL SYSTEMS AND SOFTWARE INTEGRATION

ATS creates manufacturing process controls and integrates them with Supervisory Control and Data Acquisition (SCADA), Quality Management, Manufacturing Execution and Enterprise Resource Planning systems to control and optimize production output and achieve seamless transfers of yield, lot and batch data as well as recipe information.

STANDARD PRODUCTS

ATS standard products such as Flexsys Lasers, SuperTrak modular conveyance systems, LogiTrak electrified monorail, sortimat Cleanliner handling technology, sortimat Birkman feeders, ATS SmartVision software and ATS Cortex hardware are proven building blocks that deliver enabling performance where conventional technologies fall short.

BUILD TO PRINT

ATS builds advanced equipment manufacturing systems for customers based on their specifications, drawings and work instructions.

SUPPLY CHAIN MANAGEMENT

ATS pre-qualifies and continuously monitors external suppliers to ensure reliable, efficient and cost-effective procurement and delivery of components and parts on a global basis.

EQUIPMENT REPLICATION

ATS uses its global resources to expertly and cost-effectively re-produce specialized machines in quantity to meet the exacting specifications of customers in multiple industries.

COMMISSIONING AND VALIDATION

ATS expertly installs equipment on the factory floor and ensures all critical control technologies, software and system performance attributes are tested, documented, optimized and achieved through on site and ramp-up support. This includes validation for regulatory compliance.

Post Automation

ATS provides a suite of support services to create value for customers for as long as they own their automated manufacturing systems. These services are delivered around the world to ensure customers maximize the performance, productivity and uptime of their ATS solutions.

TRAINING AND MENTORSHIP

ATS transfers its knowledge through classroom, online and on-site training and job-shadowing to ensure customers have the appropriate skills to operate equipment safely and productively.

PREVENTATIVE MAINTENANCE AND PROCESS OPTIMIZATION

ATS designs, schedules and implements preventative maintenance protocols that reduce failures and keep equipment operating at factory specifications. Embedding ATS technicians on site to audit performance, optimize production and maintain systems is one of several customizable options.

EMERGENCY AND ON-CALL SUPPORT

ATS technicians, supported remotely by subject matter experts and diagnostic tools such as the ATS Overall Equipment Effectiveness toolkit, minimize production downtime by troubleshooting machine fault codes, replacing worn parts and repairing systems to original condition.

SPARE PARTS

ATS carries industry-standard components, consumables and field replaceable units for its own equipment and third-party machines to give customers quick and cost-effective access to genuine replacement parts.

RETOOLING AND RETROFITS

ATS manages manufacturing system upgrades, control system retrofits and equipment migrations/relocations that extend the life and sustain the functionality of the customer's equipment as new or changing products are launched or new facilities are established.

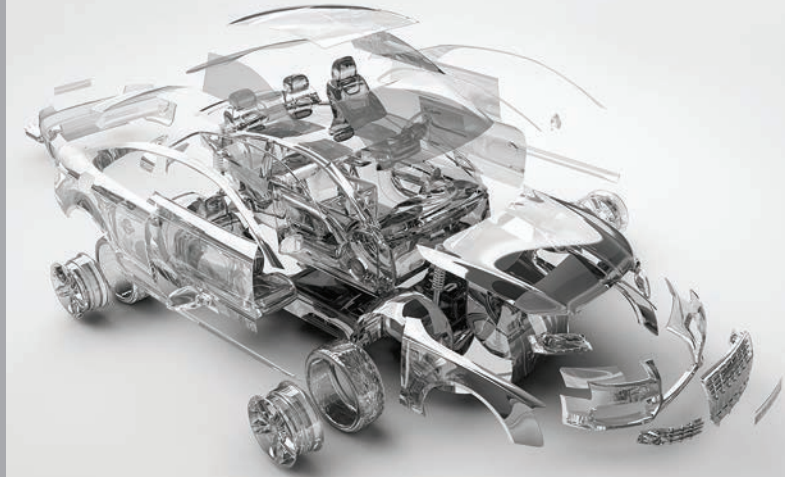


Markets Served

ATS creates value across diverse vertical markets as a turn-key provider of enabling manufacturing solutions including lifecycle support to some of the world's leading companies.

TRANSPORTATION

ATS is a global partner for automotive, heavy equipment and aerospace manufacturers and suppliers. Customers rely on ATS's speedy, accurate, and cost-effective manufacturing, assembly and test systems, and integrated process controls. Applications include body-in-white manufacturing, as well as the assembly of steering, drivetrain and electronic vehicle components.



LIFE SCIENCES

ATS assists global leaders in biotechnology, pharmaceuticals and medical devices to develop, validate and launch innovative programs. Customers rely on ATS for industry-leading expertise, good manufacturing practices, integrated process controls, Quality Management Systems, vision inspection and enabling automation.



ENERGY

ATS enables efficient handling and production of devices and components for nuclear, solar, chemical, oil and gas, water and waste water treatment industries. With experience in automating various energy systems, ATS is a reliable source for customers who need specialized, end-to-end support to meet production goals and regulatory commitments.



CONSUMER PRODUCTS AND ELECTRONICS

ATS provides total solutions to ensure consistent product quality for personal care, electronics and food/beverage industries. Worldwide brand leaders rely on ATS for flexible manufacturing platforms, including high-speed assembly, tube filling, testing and cartoning systems, and integrated process controls.



Letter to Shareholders

Fellow Shareholders:

We began implementing our value creation plan in June 2012, following the successful execution of the fix and separate phases of our strategy, through which we fixed our core automation business and separated solar operations.

Our 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, life-cycle 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.

This plan is built upon our vision of *delivering enabling manufacturing solutions to the world's market* leaders, and our mission to generate outstanding value for customers, superior financial returns to shareholders and a premier work environment for our employees.

FISCAL 2016 HIGHLIGHTS

Through the hard work of our talented employees, the leadership of our management group and the loyalty of our market-leading customers, we have continued to advance our plan.

During the year, we put in place an after-sales service organization, with corporate-level leadership and approximately 90 full-time employees, able to deliver from over 75 ATS locations. After-sales services provide our customers with the ability to maintain and increase equipment output while reducing life-cycle costs. We have defined a standard product offering and the appropriate channels to take our offering to existing and new customers. Our standard offerings include: spare parts (many with ATS part numbers); maintenance; training; upgrade and relocation; remote monitoring; and, on-site support. Our sales channels and market include: ATS's installed base of thousands of machines; normal course new equipment sales; and, customers with whom we have a special and/or strategic relationship. Our after-sales service offering provides a meaningful organic growth opportunity that was previously underserved by our Company.

In February 2016, we announced a record enterprise Order Booking of approximately U.S. \$100 million from a North-American based repeat customer that is a global leader in its market. The program will be executed by multiple ATS divisions, and involves the delivery and installation of systems at several locations that will enable the customer to roll out a new global product. The Order Booking represents the culmination of months of collaboration between the customer and ATS, and is a reflection of the Company's organic growth strategy to offer enterprise solutions. Over the past several

years, we have become increasingly successful at winning and delivering these large, enterprise-type solutions as our customers have gained confidence in our ability to create value for them through these types of programs.

In fiscal 2015, we acquired PA Solutions and completed the administrative aspects of the integration in late fiscal 2015. In fiscal 2016, we focused on capitalizing on the sales synergy potential of the acquisition. PA is a highly strategic addition that expands ATS's markets, customer penetration, capability, geography and provides a significant platform to drive organic growth. PA has performed to pre-synergy expectations, and the collaboration between PA and our pre-existing businesses is high. The opportunities in our combined funnel are growing and increasingly are more strategic and larger in size on a per-opportunity basis.

From a financial perspective, In June 2015, we completed the placement of U.S. \$250 million 6.50% senior notes, which provides a secure source of non-dilutive funding and further aligns ATS's capital structure with the Company's growth strategy.

Looking at our financial performance, although we did not achieve our targets our financial performance remained strong. ATS surpassed the billion dollar mark in revenues for the first time in the history of the Company. Revenues from continuing operations were \$1,039.6 million, up 11% over the prior year. Order Bookings grew 9% to a record \$1,070 million.

Adjusted earnings from operations grew to \$114.4 million or 11% of revenues despite certain RED programs (programs which deviate from as-bid) which negatively impacted the Company, particularly in the first half of the year.

Order Backlog grew 3% to a record \$652 million. The quality of the Company's Order Backlog is strong, both in terms of strategic importance to our customers and in terms of diversification. The Company's Order Backlog includes a number of programs that have a relationship with other programs and/or a link to future opportunities. As a result, ATS has a strong foundation to start fiscal 2017.

SUMMARY

Over the past year ATS has achieved significant financial milestones and taken important strategic steps. Our business is healthy and profit margins are strong. We have a large platform of well-connected capabilities to pursue growth by offering machines, systems, enterprise solutions and services.

ATS is committed to growth, both organically and through acquisition. Our latest U.S. \$100 million enterprise Order Booking goes a long way towards validating ATS's organic growth strategy. Years ago, we had a funnel of unrelated million dollar opportunities from which we were able to generate some larger, multi-million dollar opportunities. Today, we have a growing number of multi-million dollar opportunities and a larger funnel with small, medium, large and enterprise opportunities, many of which are related to business already in our Order Backlog.

From an acquisition perspective, the Company remains active as we seek to acquire strategic capability at appropriate prices. Acquisitions have been and will continue to be a significant component of our value creation plan. Since fiscal 2011, ATS has successfully acquired and integrated four companies. These acquisitions have demonstrated our ability to select and integrate businesses that are accretive to ATS and our global

capabilities. Going forward, we will continue to target opportunities for business expansion and value creation and capitalize on the resulting synergies to drive organic growth, improve operational leverage and achieve earnings accretion. We have a strong balance sheet with significant borrowing capacity to support growth, and the ability to generate good cash flows to quickly de-lever.

With our significant global presence and scale, ATS stands out in an industry characterized by many small and medium-sized competitors. ATS has an extensive portfolio of products, technologies and capabilities developed through the design and build of over 23,000 automation systems. We have trusted relationships with many of the world's largest multinational companies, in markets including mission-critical aspects of life sciences, transportation, energy, consumer products, biotech, chemicals and food. And most importantly, as we operate in a knowledge-based industry, ATS has a world-class workforce of highly skilled employees who are dedicated to creating value.

Finally, I would like thank all of our stakeholders including our team of 3,500 talented and committed employees, which includes many of the best and brightest in our industry. It is a privilege to help build this world-class Company with its great workforce. I am confident that ATS is well positioned to continue to execute on its growth and value creation strategy.



Anthony Caputo
Chief Executive Officer

Management's Discussion and Analysis

For the Year Ended March 31, 2016

This Management's Discussion and Analysis ("MD&A") for the year ended March 31, 2016 (fiscal 2016) is as of May 18, 2016 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 the fiscal 2016 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 net income from continuing operations", "adjusted earnings from operations", "adjusted basic earnings per share from continuing operations", "non-cash working capital", "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. Non-cash working capital is defined as the sum of accounts receivable, costs and earnings in excess of billing on contracts in progress, inventories, deposits, prepaids and other assets, less accounts payable, accrued liabilities, provisions and billings in excess of costs and earnings on contracts in progress. 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 (including adjusted net income 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. Management uses the measure non-cash working capital as a percentage of revenues to evaluate the Company's management of its investment in non-cash working capital. Management calculates non-cash working capital as a percentage of revenues using period end non-cash working capital divided by trailing two fiscal quarter revenues annualized. 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 additional 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, and (ii) adjusted earnings from operations to earnings from operations, adjusted net income from continuing operations to net income from continuing operations and adjusted basic earnings per share from continuing operations to basic earnings per share from continuing operations, in each case for the three and twelve month periods ending March 31, 2016 and March 31, 2015 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, 2016 and March 31, 2015 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 24 manufacturing facilities and over 50 offices in North America, Europe, Southeast Asia and China.

Value Creation Strategy

To drive value creation, the Company is focused on its growth 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 by offering: pre-automation services including, engineering, design, modelling and simulation, and program management; products, including contract manufacturing, automation and other manufacturing products; and after sales services, including training, preventative maintenance and process optimization, emergency on call support, life cycle material management, retooling and retrofits and other after sales 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 Overview

ATS is an industry-leading automation solutions provider to many of the world's most successful 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, transportation, energy, consumer products, electronics, chemicals, food, beverage, 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 lower their production costs, accelerate delivery of their products, and improve quality control. 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.

ATS and its subsidiaries engage at varying points in the customers' automation cycle. During the pre-automation phase, ATS offers a number of services including discovery and analysis, concept development, simulation and total cost of ownership modelling, all of which helps to verify the feasibility of different types of automation, set objectives for factors such as line speed and yield, assesses production processes for manufacturability and calculate the total cost of ownership.

For customers that have decided to proceed with an automation project, ATS offers a number of automation and integration services, including engineering design, prototyping, process verification, specification writing, software and manufacturing process controls development, equipment design and build, standard automation products/platforms, third-party equipment qualification, procurement and integration, automation system installation, product line commissioning, validation, and documentation. 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 production or build-to-print manufacturing, ATS provides value engineering, supply chain management, integration and manufacturing capabilities and other automation products and solutions.

Post automation, ATS offers a number of services including customer training, preventative maintenance, process optimization, emergency and on call support, spare parts, retooling, retrofits and equipment relocation.

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' 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, and Thailand. ATS can deliver localized service through a network of over 50 offices located around the world. Management believes that ATS' 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 23,000 automation systems worldwide and has an extensive knowledge base and accumulated design expertise. Management believes ATS' broad experience in many different industrial markets and with diverse technologies, its talented workforce which includes over 1,200 engineers and over 180 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.

PRODUCT AND TECHNOLOGY PORTFOLIO: Through its history of bringing thousands of unique automation projects to market, ATS and its subsidiaries have developed an extensive product and technology portfolio. ATS has a number of standard automation platforms, including: SuperTrak™ an in-line, high-speed flexible pallet transport system; Discovery Dial™, a rotary dial indexer; and Jetwing™ and Spaceline™, both synchronous indexing chassis. Each of these automation platforms can be tailored to a customer's unique requirements. The Company has recently introduced OmniTrak™, which combines the synchronous drive of the Spaceline™ chassis with asynchronous pallet movement provided by the programmable SuperTrak™ pallet transfer system, which allows for multiple process times and selective synchronization of devices.

Other standard automation products and technologies include advanced vision systems used to ensure product or process quality, numerous material handling and feeder technologies, high-accuracy and high precision laser processing technologies, high-performance tube filling and cartoning technologies and advanced HMI control systems. Management believes the Company's extensive product and technology portfolio gives it an advantage in developing unique and leading solutions for customers and maintaining competitiveness.

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; "IWK" which specializes in the packaging market; and "Process Automation Solutions" or "PA", which provides innovative automation solutions for process and production sectors. 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.

TRUSTED CUSTOMER RELATIONSHIPS: ATS serves some of the world's largest multinational companies. Most of 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 2016 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 engineering firms and equipment builders. In addition, ATS can provide customers with other value-added services including pre-automation consulting, total cost of ownership studies, life cycle material management, post-automation service, training and 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, which was divested in fiscal 2015. The results of the Solar segment are reported in discontinued operations.

Consolidated Revenues from Continuing Operations (In millions of dollars)

Revenues by market	Q4 2016	Q4 2015	Fiscal 2016	Fiscal 2015
Consumer products & electronics	\$ 38.9	\$ 38.9	\$ 160.4	\$ 165.1
Energy	18.4	16.9	74.5	63.3
Life sciences	105.6	138.8	435.5	393.1
Transportation	83.9	94.8	369.2	314.6
Total revenues from continuing operations	\$ 246.8	\$ 289.4	\$ 1,039.6	\$ 936.1

Revenues by installation location	Q4 2016	Q4 2015	Fiscal 2016	Fiscal 2015
North America	\$ 93.3	\$ 151.9	\$ 456.9	\$ 450.4
Europe	100.6	96.7	394.1	330.1
Asia/Other	52.9	40.8	188.6	155.6
Total revenues from continuing operations	\$ 246.8	\$ 289.4	\$ 1,039.6	\$ 936.1

FOURTH QUARTER: Fiscal 2016 fourth quarter revenues were 15% lower than in the corresponding period a year ago. Lower revenues primarily reflected lower Order Backlog entering the fourth quarter of fiscal 2016 compared to a year ago. This was partially offset by foreign exchange rate changes, which 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 and Euro.

By market, fiscal 2016 fourth quarter revenues from consumer products & electronics were consistent with the corresponding period a year ago. Revenues generated in the energy market increased 9% due to Order Bookings. Revenues in the life sciences market decreased 24% primarily reflecting timing of project activities. Transportation revenues decreased 11% primarily reflecting lower Order Backlog entering the fiscal 2016 fourth quarter due to timing of Order Bookings.

FULL YEAR: Fiscal 2016 revenues were 11% higher than in the corresponding period a year ago, primarily reflecting revenues earned by PA. Fiscal 2016 PA revenues were \$271.0 million compared to \$151.5 million in fiscal 2015, which included only seven months of PA (which was acquired on September 1, 2014). Excluding PA, revenues decreased \$16.0 million or 2% from 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 U.S. dollar and Euro.

By market, fiscal 2016 revenues from consumer products & electronics market decreased 3% primarily reflecting timing of project activities. Revenues generated in the energy market increased 18%, primarily reflecting higher Order Bookings in the previous three quarters. Revenues generated in the life sciences market increased 11%, primarily on revenues earned by PA. Transportation revenues increased 17%, primarily on revenues earned by PA and foreign exchange translation.

Consolidated Operating Results (In millions of dollars)

	Q4 2016	Q4 2015	Fiscal 2016	Fiscal 2015
Earnings from operations	\$ 8.1	\$ 22.6	\$ 76.8	\$ 67.0
Amortization of acquisition-related intangible assets	5.7	9.1	24.5	28.1
Acquisition-related transaction costs	—	1.6	—	13.3
Restructuring charges	2.3	1.4	9.7	1.4
Gain on sale of assets	—	—	(3.7)	—
Executive transition expense ¹	7.1	—	7.1	—
Adjusted earnings from operations²	\$ 23.2	\$ 34.7	\$ 114.4	\$ 109.8

(1) See "Executive Transition" below.

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

	Q4 2016	Q4 2015	Fiscal 2016	Fiscal 2015
Earnings from operations	\$ 8.1	\$ 22.6	\$ 76.8	\$ 67.0
Depreciation and amortization	9.6	12.6	39.3	40.5
EBITDA¹	\$ 17.7	\$ 35.2	\$ 116.1	\$ 107.5

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

FOURTH QUARTER: Fiscal 2016 fourth quarter earnings from operations were \$8.1 million (3% operating margin) compared to \$22.6 million (8% operating margin) in the fourth quarter of fiscal 2015. Fourth quarter fiscal 2016 earnings from operations included \$7.1 million of executive transition expenses, \$2.3 million of restructuring and severance costs and \$5.7 million related to amortization of identifiable intangible assets recorded on the acquisitions of PA, IWK, and sortimat. Excluding these items, fourth quarter fiscal 2016 adjusted earnings from operations were \$23.2 million (9% margin), compared to adjusted earnings from operations of \$34.7 million (12% margin) a year ago. Adjusted earnings from operations primarily reflected lower revenues.

Depreciation and amortization expense was \$9.6 million in the fourth quarter of fiscal 2016, compared to \$12.6 million a year ago. The decrease primarily reflected lower amortization of identifiable intangible assets recorded on the acquisitions of PA, IWK, ATW and sortimat compared to the fourth quarter of fiscal 2015.

EBITDA was \$17.7 million (7% EBITDA margin) in the fourth quarter of fiscal 2016 compared to \$35.2 million (12% EBITDA margin) in the fourth quarter of fiscal 2015. Excluding executive transition expenses and restructuring and severance costs, fourth quarter fiscal 2016 EBITDA was \$27.1 million (11% EBITDA margin). Comparably, excluding restructuring and severance costs and acquisition-related costs, fourth quarter fiscal 2015 EBITDA was \$38.2 million (13% EBITDA margin).

FULL YEAR: Earnings from operations were \$76.8 million (7% operating margin) compared to \$67.0 million (7% operating margin) in the corresponding period a year ago. Earnings from operations included \$7.1 million of executive transition expenses, a gain of \$3.7 million on the sale of a redundant U.S. facility, \$9.7 million of restructuring and severance costs and \$24.5 million of amortization costs related to the amortization of identifiable intangible assets recorded on the acquisitions of PA, IWK, ATW and sortimat. Excluding these items, adjusted earnings from operations were \$114.4 million (11% margin) compared to adjusted earnings from operations of \$109.8 million (12% margin) in the corresponding period a year ago. Higher adjusted earnings from operations primarily reflected increased revenues, lower employee incentive costs and other discretionary spending reductions. These were partially offset by higher cost of revenues caused by some lower margin programs which were bid and executed by the Company, and certain programs where costs exceeded budgets.

Depreciation and amortization expense was \$39.3 million in fiscal 2016 compared to \$40.5 million a year ago.

EBITDA was \$116.1 million (11% EBITDA margin) compared to \$107.5 million (11% EBITDA margin) in fiscal 2015. Excluding executive transition expenses, restructuring costs, and the gain on the sale of the U.S. facility, fiscal 2016 EBITDA was \$129.2 million (12% EBITDA margin). Comparably, excluding restructuring costs and acquisition-related costs, fiscal 2015 EBITDA was \$122.2 million (13% EBITDA margin).

Executive Transition

In March 2016, the Company announced that Anthony Caputo, the Chief Executive Officer of the Company, will be leaving the Company in February 2017. In connection with this, the CEO and the Company have entered into a transition agreement that amends the CEO's employment agreement to, among other things; (i) secure for the Company an orderly transition period of approximately 11 months, allowing for both continuity of leadership in the interim and a thorough search and selection process for a successor suitable to lead the Company as it continues to realize on its growth and value creation ambitions; and (ii) provide that the CEO may leave earlier if a transition is completed prior to February 2017. In turn, recognizing these clear benefits derived by the Company, the transition agreement provides for financial terms consistent with the CEO's long-standing employment agreement. In accordance with the transition agreement, the CEO will receive a lump sum payment estimated as \$5.0 million, which payment encompasses bonus entitlement for fiscal 2017, and a portion of which is subject to change based on the date the transition is completed, and the Company will incur \$2.1 million of post-employment benefit expenses related to an additional two years of credited service towards the CEO's pension entitlement.

Order Bookings by Quarter (In millions of dollars)

	Fiscal 2016	Fiscal 2015
Q1	\$ 222	\$ 161
Q2	230	216
Q3	228	287
Q4	390	317
Total Order Bookings	\$ 1,070	\$ 981

FOURTH QUARTER: Fourth quarter fiscal 2016 Order Bookings were \$390 million, a 23% increase from the fourth quarter of fiscal 2015. Strength in energy, consumer products & electronics, and life sciences more than offset lower activity in the transportation market.

Included in fourth quarter fiscal 2016 Order Bookings is an enterprise program valued at approximately U.S. \$100 million from a North American-based customer that is a global leader in the solar energy market. ATS has provided innovative core manufacturing solutions to this customer for a number of years. The Order Booking involves delivery and installation of systems at several locations that will enable the customer to roll out a new global product. Multiple ATS divisions will be involved with the program delivery and execution.

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 2016 Order Bookings were \$1,070 million, a 9% increase from prior year Order Bookings of \$981 million. The increase in Order Bookings reflected a full year's contribution from PA (compared to seven months in fiscal 2015). By market, strength in energy, as well as consumer products & electronics more than offset lower activity in life sciences and transportation. Foreign exchange rate changes also positively impacted the translation of Order Bookings from foreign-based ATS subsidiaries compared to fiscal 2015.

Order Backlog Continuity (In millions of dollars)

	Q4 2016	Q4 2015	Fiscal 2016	Fiscal 2015
Opening Order Backlog	\$ 546	\$ 602	\$ 632	\$ 474
Revenues	(247)	(289)	(1,040)	(936)
Order Bookings	390	317	1,070	981
Order Backlog adjustments ¹	(37)	2	(10)	113
Total	\$ 652	\$ 632	\$ 652	\$ 632

(1) Order Backlog adjustments include foreign exchange adjustments and cancellations. Fiscal 2015 also included incremental Order Backlog of \$131 million acquired with PA.

Order Backlog by Market (In millions of dollars)

	Fiscal 2016	Fiscal 2015
Consumer products & electronics	\$ 85	\$ 64
Energy	186	53
Life sciences	224	255
Transportation	157	260
Total	\$ 652	\$ 632

At March 31, 2016, Order Backlog was \$652 million, 3% higher than at March 31, 2015. Higher Order Backlog in consumer products & electronics and the energy markets was partially offset by lower Order Backlog in life sciences and transportation markets. Foreign exchange rate changes also positively impacted the translation of Order Backlog from foreign-based ATS subsidiaries compared to fiscal 2015.

Outlook

The global economic environment has continued to show signs of volatility and uncertainty remains. In the U.S., economic growth remains slow, and the Canadian and European economies remain weak. Economic growth continues to decelerate in China and other parts of Asia. A prolonged or more significant downturn in an economy where the Company operates could negatively impact Order Bookings and may add to volatility in Order Bookings.

Many customers remain cautious in their approach to capital investment. Although funnel activity in life sciences and transportation markets has remained strong, a number of customers have continued to delay investment decisions. Opportunities in energy markets are sporadic. Funnel activity in the consumer products & electronics market has improved; however, it remains low relative to other customer markets. Overall, funnel activity remains strong and proposal activity is robust, however, conversion of opportunities into Order Bookings is variable.

The Company's sales organization continues to work to engage 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 and the timing of customer decisions on larger opportunities 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 \$652 million at the end of fiscal 2016 to partially mitigate the impact of volatile Order Bookings on revenues in the short term. In the first quarter of fiscal 2017, management expects Order Backlog conversion to be in the range of 35% to 40%. The expected conversion rate is lower than in recent quarters due primarily to lower Order Bookings in the first three quarters of fiscal 2016, which will only be partially offset by the ramp-up of the U.S. \$100 million enterprise program which is expected to be substantially completed over the next four quarters. Based on the lower expected conversion of Order Backlog, the Company expects its earnings from operations to be negatively impacted in the first quarter of fiscal 2017 due to lower expected revenues. Based on the Company's current Order Backlog, management believes it has the appropriate cost structure to deliver on its programs going forward.

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. In fiscal 2016, the Company initiated the closure of its India-based operations, completed the previously announced closure of a U.S. operation, completed the divestiture of a Swiss-based automation operation through a sale to a third party, and initiated additional actions to re-balance global capacity and improve the Company's cost structure. These actions resulted in charges of \$9.7 million in fiscal 2016. Over the long term, management expects that the application of its ongoing efforts to improve ATS' cost structure, business processes, leadership and supply chain management will 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

Selected Fourth Quarter and Annual Information (In millions of dollars, except per share data)

	Q4 2016	Q4 2015	Fiscal 2016	Fiscal 2015	Fiscal 2014
Revenues	\$ 246.8	\$ 289.4	\$ 1,039.6	\$ 936.1	\$ 683.4
Cost of revenues	185.7	217.3	780.9	691.1	501.7
Selling, general and administrative	53.5	49.0	179.3	173.7	113.3
Stock-based compensation	(0.5)	0.5	2.6	4.3	7.3
Earnings from operations	\$ 8.1	\$ 22.6	\$ 76.8	\$ 67.0	\$ 61.0
Net finance costs	\$ 7.9	\$ 4.3	\$ 26.7	\$ 11.9	\$ 3.0
Provision for (recovery of) income taxes	(1.2)	4.4	10.5	16.2	8.6
Net income from continuing operations	\$ 1.4	\$ 13.9	\$ 39.6	\$ 38.9	\$ 49.4
Income from discontinued operations, net of tax	\$ —	\$ 2.2	\$ —	\$ 16.2	\$ 12.8
Net income	\$ 1.4	\$ 16.1	\$ 39.6	\$ 55.1	\$ 62.2
Earnings per share					
Basic from continuing operations	\$ 0.02	\$ 0.15	\$ 0.43	\$ 0.43	\$ 0.56
Basic from discontinued operations	\$ —	\$ 0.03	\$ —	\$ 0.18	\$ 0.14
	\$ 0.02	\$ 0.18	\$ 0.43	\$ 0.61	\$ 0.70
Diluted from continuing operations	\$ 0.02	\$ 0.15	\$ 0.43	\$ 0.42	\$ 0.55
Diluted from discontinued operations	\$ —	\$ 0.03	\$ —	\$ 0.18	\$ 0.14
	\$ 0.02	\$ 0.18	\$ 0.43	\$ 0.60	\$ 0.69
From continuing operations:					
Total assets			\$ 1,367.5	\$ 1,220.7	\$ 778.4
Total cash and short-term investments			\$ 170.0	\$ 106.1	\$ 76.5
Total bank debt			\$ 323.7	\$ 291.3	\$ 6.0

REVENUES: At \$246.8 million, consolidated revenues from continuing operations for the fourth quarter of fiscal 2016 were \$42.6 million or 15% lower than the corresponding period a year ago. At \$1,039.6 million, fiscal 2016 revenues were \$103.5 million, or 11%, higher than in the corresponding year ago. See "Overview – Operating Results from Continuing Operations."

COST OF REVENUES: At \$185.7 million, fourth quarter fiscal 2016 cost of revenues decreased compared to the corresponding period a year ago by \$31.6 million or 15%, primarily on lower revenues. Annual cost of revenues of \$780.9 million increased by \$89.8 million or 13%, primarily on higher revenues generated compared to the corresponding period last year due to incremental PA revenues.

At 25%, gross margin in the fourth quarter of fiscal 2016 was consistent with the corresponding period a year ago. Fiscal 2016 gross margin of 25% decreased 1% from the corresponding period a year ago. Lower fiscal 2016 gross margins primarily reflected the addition of PA, which 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 compared to ATS. In addition, lower gross margins reflected some lower margin programs which were bid and are being executed by the Company, and certain programs where costs exceeded budgets.

SELLING, GENERAL AND ADMINISTRATIVE ("SG&A") EXPENSES: SG&A expenses for the fourth quarter of fiscal 2016 were \$53.5 million, which included \$5.7 million of amortization costs related to the amortization of identifiable intangible assets recorded on the acquisitions of PA, IWK, and sortimat, \$2.3 million of restructuring and severance costs and \$7.1 million of executive transition expenses. Excluding these costs, SG&A expenses were \$38.4 million in the fourth quarter of fiscal 2016. Comparably, SG&A expenses for the fourth quarter of fiscal 2015 were \$36.9 million, which excluded \$9.1 million of amortization costs related to the amortization of identifiable intangible assets recorded on the acquisitions of PA, IWK, ATW and sortimat, \$1.6 million of acquisition-related costs, and \$1.4 million of restructuring and severance costs. Excluding these items, higher SG&A expenses in the fourth quarter of fiscal 2016 primarily reflected foreign exchange rate changes which increased the translation of reported SG&A expenses of foreign-based subsidiaries due to the weakening of the Canadian dollar relative to the U.S. dollar and Euro.

Fiscal 2016 SG&A expenses were \$179.3 million, which included \$24.5 million of amortization costs related to the amortization of identifiable intangible assets recorded on the acquisitions of PA, IWK, ATW and sortimat, \$9.7 million of restructuring and severance costs, a gain of \$3.7 million on the sale of a U.S. facility, and \$7.1 million of executive transition expenses. Excluding these items, SG&A expenses were \$141.7 million for fiscal 2016. Comparably, SG&A expenses for fiscal 2015 were \$130.9, which excluded \$28.1 million of amortization costs related to the amortization of identifiable intangible assets recorded on the acquisitions of PA, IWK, ATW and sortimat, \$13.3 million of acquisition-related costs and \$1.4 million of restructuring and severance costs. Higher SG&A expenses in fiscal 2016 primarily reflected the addition of PA and foreign exchange rate changes which increased the translation of reported SG&A expenses of foreign-based subsidiaries, primarily due to the weakening of the Canadian dollar relative to the U.S. dollar and Euro.

STOCK-BASED COMPENSATION: Stock-based compensation recovery amounted to \$0.5 million in the fourth quarter of fiscal 2016 compared to \$0.5 million of stock-based compensation expense in the corresponding period a year ago. Fiscal 2016 stock-based compensation expense decreased to \$2.6 million from \$4.3 million a year ago. The decrease in stock-based compensation costs is attributable to lower expenses from stock options and the revaluation of deferred stock units, share appreciation rights, and restricted share units.

EARNINGS FROM OPERATIONS: For the three and twelve month periods ended March 31, 2016, consolidated earnings from operations were \$8.1 million (3% operating margin) and \$76.8 million (7% operating margin) respectively, compared to earnings from operations of \$22.6 million (8% operating margin) and \$67.0 million (7% operating margin), respectively, in the corresponding periods of fiscal 2015. See "Overview – Operating Results from Continuing Operations."

NET FINANCE COSTS: Net finance costs were \$7.9 million in the fourth quarter of fiscal 2016, \$3.6 million higher than the corresponding period a year ago. Fiscal 2016 finance costs were \$26.7 million compared to \$11.9 million in the corresponding period a year ago. The increase reflected interest on the Company's Senior Notes, which were issued in June 2015 (see "Liquidity, Cash Flow and Financial Resources"). The increased usage relates to financing the acquisition of PA and to support letters of credit.

INCOME TAX PROVISION: For the three months ended March 31, 2016, the Company recorded an income tax recovery of \$1.2 million. This primarily reflected losses for income tax purposes that were realized in certain jurisdictions, for which a future benefit is expected to be realized.

For the twelve months ended March 31, 2016, the Company's effective income tax rate of 21% differed from the combined Canadian basic federal and provincial income tax rate of 27% primarily as a result of the income tax recovery recorded in the fourth quarter of fiscal 2016 and income earned in certain jurisdictions with different statutory tax rates. The Company expects its effective tax rate to below 25% in the near term.

NET INCOME FROM CONTINUING OPERATIONS: Fiscal 2016 fourth quarter net income from continuing operations was \$1.4 million (2 cents per share basic and diluted) compared to \$13.9 million (15 cents per share basic and diluted) for the fourth quarter of fiscal 2015. Adjusted basic earnings per share from continuing operations were 14 cents in the fourth quarter of fiscal 2016 compared to 24 cents for the fourth quarter of fiscal 2015. See "Reconciliation of Non-IFRS Measures to IFRS Measures."

Fiscal 2016 net income from continuing operations was \$39.6 million (43 cents per share basic and diluted) compared to \$38.9 million (43 cents per share basic and 42 cents per share diluted) for the corresponding period a year ago. Adjusted basic earnings per share from continuing operations were 72 cents in fiscal 2016, compared to 77 cents in the corresponding period a year ago. See "Reconciliation of Non-IFRS Measures to IFRS Measures."

INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX: For the three and twelve month periods ended March 31, 2015, Ontario Solar recorded income of \$2.2 million and \$16.2 million respectively, which related to the sale of its ground-mount solar projects. During fiscal 2015, all remaining solar assets were divested. There were no such transactions in fiscal 2016.

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 2016	Fiscal 2015	Fiscal 2014
EBITDA	\$ 116.1	\$ 107.5	\$ 79.4
Less: depreciation and amortization expense	39.3	40.5	18.4
Earnings from operations	\$ 76.8	\$ 67.0	\$ 61.0
Less: net finance costs	26.7	11.9	3.0
Provision for income taxes	10.5	16.2	8.6
Net income from continuing operations	\$ 39.6	\$ 38.9	\$ 49.4

	Q4 2016	Q4 2015
EBITDA	\$ 17.7	\$ 35.2
Less: depreciation and amortization expense	9.6	12.6
Earnings from operations	\$ 8.1	\$ 22.6
Less: net finance costs	7.9	4.3
Provision for (recovery of) income taxes	(1.2)	4.4
Net income from continuing operations	\$ 1.4	\$ 13.9

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

	Three Months Ended March 31, 2016			Three Months Ended March 31, 2015		
	IFRS	Adjustments	Adjusted (non-IFRS)	IFRS	Adjustments	Adjusted (non-IFRS)
Earnings from operations	\$ 8.1	\$ —	\$ 8.1	\$ 22.6	\$ —	\$ 22.6
Amortization of acquisition-related intangible assets	—	5.7	5.7	—	9.1	9.1
Acquisition-related transaction costs	—	—	—	—	1.6	1.6
Restructuring charges	—	2.3	2.3	—	1.4	1.4
Executive transition expenses ¹	—	7.1	7.1	—	—	—
	\$ 8.1	\$ 15.1	\$ 23.2	\$ 22.6	\$ 12.1	\$ 34.7
Less: net finance costs	\$ 7.9	\$ —	\$ 7.9	\$ 4.3	\$ —	\$ 4.3
Income from continuing operations before income taxes	\$ 0.2	\$ 15.1	\$ 15.3	\$ 18.3	\$ 12.1	\$ 30.4
Provision for (recovery of) income taxes	\$ (1.2)	\$ —	\$ (1.2)	\$ 4.4	\$ —	\$ 4.4
Adjustment to provision for income taxes ²	—	4.0	4.0	—	3.5	3.5
	\$ (1.2)	\$ 4.0	\$ 2.8	\$ 4.4	\$ 3.5	\$ 7.9
Net income from continuing operations	\$ 1.4	\$ 11.1	\$ 12.5	\$ 13.9	\$ 8.6	\$ 22.5
Basic earnings per share from continuing operations	\$ 0.02	\$ 0.12	\$ 0.14	\$ 0.15	\$ 0.09	\$ 0.24

(1) See "Overview - Operating Results from Continuing Operations - Executive Transition".

(2) 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.

	Twelve Months Ended March 31, 2016			Twelve Months Ended March 31, 2015		
	IFRS	Adjustments	Adjusted (non-IFRS)	IFRS	Adjustments	Adjusted (non-IFRS)
Earnings from operations	\$ 76.8	\$ —	\$ 76.8	\$ 67.0	\$ —	\$ 67.0
Amortization of acquisition-related intangible assets	—	24.5	24.5	—	28.1	28.1
Acquisition-related transaction costs	—	—	—	—	13.3	13.3
Restructuring charges	—	9.7	9.7	—	1.4	1.4
Gain on sale of assets	—	(3.7)	(3.7)	—	—	—
Executive transition expenses ¹	—	7.1	7.1	—	—	—
	\$ 76.8	\$ 37.6	\$ 114.4	\$ 67.0	\$ 42.8	\$ 109.8
Less: net finance costs	\$ 26.7	\$ —	\$ 26.7	\$ 11.9	\$ —	\$ 11.9
Income from continuing operations before income taxes	\$ 50.1	\$ 37.6	\$ 87.7	\$ 55.1	\$ 42.8	\$ 97.9
Provision for income taxes	\$ 10.5	\$ —	\$ 10.5	\$ 16.2	\$ —	\$ 16.2
Adjustment to provision for income taxes ²	—	10.7	10.7	—	11.4	11.4
	\$ 10.5	\$ 10.7	\$ 21.2	\$ 16.2	\$ 11.4	\$ 27.6
Net income from continuing operations	\$ 39.6	\$ 26.9	\$ 66.5	\$ 38.9	\$ 31.4	\$ 70.3
Basic earnings per share from continuing operations	\$ 0.43	\$ 0.29	\$ 0.72	\$ 0.43	\$ 0.34	\$ 0.77

(1) See "Overview - Operating Results from Continuing Operations - Transition Agreement".

(2) 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.

Summary of Investments, Liquidity, Cash Flow and Financial Resources

INVESTMENTS (In millions of dollars)

	Fiscal 2016	Fiscal 2015
Investments – increase (decrease)		
Non-cash operating working capital	\$ 30.8	\$ (3.6)
Property, plant and equipment	10.1	11.2
Acquisition of intangible assets	5.6	6.8
Business acquisition, net of cash acquired	—	355.4
Purchase of non-controlling interest	0.1	4.4
Proceeds from disposal of assets	(22.3)	(8.9)
Proceeds from sale of subsidiary	(2.3)	—
Investing activities of discontinued operations	—	(22.1)
Total net investments	\$ 22.0	\$ 343.2

In fiscal 2016, the Company's investment in non-cash working capital increased \$30.8 million compared to a decrease of \$3.6 million a year ago. Accounts receivable increased 35% or \$50.6 million, driven by the increase in fiscal 2016 revenues and the timing of billings on certain customer contracts. Net contracts in progress decreased 34% or \$40.2 million compared to March 31, 2015. 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 10% or \$4.1 million primarily due to the timing of inventory purchases. Deposits and prepaid assets increased 52% or \$7.6 million compared to March 31, 2015 due to the timing of program execution. Accounts payable and accrued liabilities decreased 11% or \$22.0 million compared to March 31, 2015. Provisions increased 95% or \$9.8 million compared to March 31, 2015 due to the executive transition provision accrued in fiscal 2016.

Capital expenditures totalled \$10.1 million for fiscal 2016, primarily related to computer hardware. Capital expenditures totalled \$11.2 million in fiscal 2015, primarily related to incremental capital expenditures from the addition of PA.

Intangible assets expenditures for fiscal 2016 and fiscal 2015 were \$5.6 million and \$6.8 million respectively and primarily related to computer software and internal development projects.

Business acquisition, net of cash acquired was \$355.4 million in fiscal 2015 due to the acquisition of PA. There were no such transactions in fiscal 2016. Purchase of non-controlling interest was \$0.1 million in fiscal 2016 compared to \$4.4 million in fiscal 2015.

Proceeds from disposal of assets were \$22.3 million in fiscal 2016, compared to \$8.9 million in fiscal 2015. The increase primarily reflects the sale of a U.S. facility and the sale of certain other redundant assets.

Proceeds from sale of subsidiary were \$2.3 million in fiscal 2016, compared to \$nil in fiscal 2015. The increase reflected the sale of a Swiss subsidiary, which closed in the first quarter of fiscal 2016.

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 2016 and determined there is no impairment of goodwill or intangible assets as of March 31, 2016 (fiscal 2015 – \$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 2016	Fiscal 2015
Cash and cash equivalents	\$ 170.0	\$ 106.1
Debt-to-equity ratio	0.56:1	0.54:1
Cash flows provided by operating activities from continuing operations	\$ 35.8	\$ 82.1

At March 31, 2016, the Company had cash and cash equivalents of \$170.0 million compared to \$106.1 million at March 31, 2015. At March 31, 2016, the Company's debt-to-total equity ratio was 0.56:1.

At March 31, 2016, the Company had \$639.0 million of unutilized multipurpose credit, including letters of credit, available under existing credit facilities and an additional \$4.8 million available under letter of credit facilities.

In fiscal 2016, cash flows provided by operating activities from continuing operations were \$35.8 million (\$82.1 million provided by in the corresponding period a year ago). The decrease in operating cash flows related primarily to the timing of investments in non-cash working capital in certain customer programs.

During fiscal 2016, the Company completed a private placement of U.S. \$250.0 million aggregate principal amount of senior notes (the "Senior Notes"). Transaction fees of \$7.2 million were deferred and will be amortized over the term of the Senior Notes. The Senior Notes are unsecured, were issued at par, bear interest at a rate of 6.50% per annum and mature on June 15, 2023. ATS used the majority of net proceeds from the Senior Notes to repay amounts outstanding under its senior secured credit facility, with the balance to be used for general corporate purposes. The Company may redeem the Senior Notes, in whole at any time or in part from time to time, at specified redemption prices and subject to certain conditions required by the Senior Notes. If the Company experiences a change of control, the Company may be required to repurchase the Senior Notes, in whole or in part, at a purchase price equal to 101% of the aggregate principal amount of the Senior Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Senior Notes contain customary covenants that restrict, subject to certain exceptions and thresholds, some of the activities of the Company and its subsidiaries, including the Company's ability to dispose of assets, incur additional debt, pay dividends, create liens, make investments, and engage in specified transactions with affiliates. Subject to certain exceptions, the Senior Notes are guaranteed by each of the subsidiaries of the Company that is a borrower or has guaranteed obligations under the Credit Facility.

The Company's senior secured credit facility (the "Credit Facility") provides a committed revolving credit facility of \$750.0 million. The Credit Facility is secured by (i) the Company's assets, including real estate; (ii) assets, including certain 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, 2016, the Company had utilized \$115.1 million under the Credit Facility by way of letters of credit (March 31, 2015 – \$290.0 million classified as long-term debt and \$85.0 million by way of letters of credit). The Credit Facility matures on August 29, 2018.

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 as defined in the Credit Facility. 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. At March 31, 2016, all of the covenants were met.

The Company has additional credit facilities available of \$12.7 million (3.6 million Euro, 275.0 million Indian Rupees, 50.0 million Thai Baht and 1.1 million Czech Koruna). The total amount outstanding on these facilities at March 31, 2016 was \$9.4 million, of which \$2.3 million was classified as bank indebtedness (March 31, 2015 – \$1.7 million) and \$7.1 million was classified as long-term debt (March 31, 2015 – \$4.9 million). The interest rates applicable to the credit facilities range from 1.66% to 10.00% per annum. A portion of the long-term debt is secured by certain assets of the Company. The 275.0 million Indian Rupees and the 50.0 million Thai Baht credit facilities are secured by letters of credit under the Credit Facility.

Over the long-term, the Company generally expects to continue increasing its overall investment in non-cash working capital to support the growth of its business, with fluctuations on a quarter-over-quarter basis. The Company's goal is to maintain its investment in non-cash working capital as a percentage of annualized revenues at a level below 15%. 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 non-cash working capital and capital assets and to fund strategic investment plans including some 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.

Contractual Obligations (In millions of dollars)

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

	Operating leases	Purchase obligations
Less than one year	\$ 10.1	\$ 91.5
One – two years	8.0	0.6
Two – three years	6.9	0.1
Three – four years	6.0	0.1
Four – five years	5.6	0.1
Due in over five years	4.5	—
	\$ 41.1	\$ 92.4

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 commitments for material purchases.

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 letters of credit as security for advances received from customers pending delivery and contract performance. In addition, the Company provides letters of credit for post-retirement obligations and may provide letters of credit as security on equipment under lease and on order. At March 31, 2016, the total value of outstanding letters of credit was approximately \$137.0 million (March 31, 2015 – \$118.0 million).

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.

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 14 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 market 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 obtains insurance in certain instances.

During fiscal 2016, 1,145,167 stock options were exercised. At May 18, 2016 the total number of shares outstanding was 92,294,859 and there were 3,432,366 stock options outstanding to acquire common shares of the Company.

Normal Course Issuer Bid

On November 4, 2015, the Company announced that the Toronto Stock Exchange ("TSX") had accepted a notice filed by the Company of its intention to make a normal course issuer bid ("NCIB"). Under the NCIB, ATS has the ability to purchase for cancellation up to a maximum of 4,600,000 common shares, representing approximately 5% of the 92,541,582 common shares that were issued and outstanding as of October 31, 2015.

Purchases under the NCIB will be made through the facilities of the TSX and/or alternative trading systems in accordance with applicable regulatory requirements, during the twelve month period which commenced on November 6, 2015 and ending on or before November 5, 2016. The average daily trading volume of the common shares on the TSX for the six calendar months ending October 31, 2015 was 160,087 common shares. On any trading day ATS will not purchase more than 25% of such average daily trading volume representing 40,021 common shares, except where such purchases are made in accordance with available block purchase exemptions. The common shares purchased under this NCIB will be cancelled.

Some purchases under the NCIB may be made pursuant to an automatic purchase plan between ATS and its broker. This plan would enable the purchase of ATS common shares when ATS would not ordinarily be active in the market due to internal trading blackout periods, insider trading rules, or otherwise.

ATS believes that there are times when the market price of ATS common shares may not reflect their underlying value and that the purchase of shares by ATS will both provide liquidity to existing shareholders and benefit remaining shareholders. The NCIB is viewed by ATS management as one component of an overall capital structure strategy and complimentary to its acquisition growth plans.

As at March 31, 2016, the Company had purchased 481,473 common shares for \$6.0 million under the NCIB. The weighted average price per share repurchased was \$12.45. ATS security holders may obtain a copy of the notice, without charge, upon request from the Secretary of the Company.

Related-party transactions

On April 1, 2014, 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 2016.

Foreign exchange

The Company is exposed to foreign exchange risk as a result of transactions in currencies other than its functional currency of the Canadian dollar, through borrowings made by the Company in currencies other than its functional currency and through its investments in its foreign-based subsidiaries.

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 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.

The Company uses cross-currency swaps as derivative financial instruments to hedge a portion of its foreign exchange risk related to its U.S.-dollar-denominated Senior Notes. On March 29, 2016 the Company entered into a cross-currency interest rate swap instrument to swap U.S. \$150.0 million into Canadian dollars. The Company will receive interest of 6.50% U.S. per annum and pay interest of 6.501% Canadian. The terms of the hedging relationship will end on June 15, 2023.

The Company manages foreign exchange risk on its Euro denominated net investments. The Company uses a cross-currency swap as derivative financial instruments to hedge a portion of the foreign exchange risk related to its Euro-denominated net investment. On March 29, 2016, the Company entered into a cross-currency swap instrument to swap 134.1 million Euro into Canadian dollars. The Company will receive interest of 6.501% Canadian per annum and pay interest of 5.094% Euro. The terms of the hedging relationship will end on June 15, 2023. As a result of the cross currency interest rate swap instruments, the Company expects its interest expenses to be reduced by approximately U.S. \$2 million per annum.

In addition, from time to time, the Company may hedge the foreign exchange risk arising from foreign currency debt, intercompany loans, net investments in foreign-based subsidiaries and committed acquisitions through the use of forward foreign exchange contracts or other non-derivative financial instruments. The Company uses hedging as a risk management tool, not to speculate. See note 14 to the consolidated financial statements for details on the derivative financial instruments outstanding at March 31, 2016.

	Year-end actual exchange rates			Period average exchange rates		
	March 31, 2016	March 31, 2015	% change	March 31, 2016	March 31, 2015	% change
U.S. Dollar	1.2987	1.2666	2.5%	1.3110	1.1384	15.2%
Euro	1.4777	1.3615	8.5%	1.4474	1.4383	0.6%

Consolidated quarterly results (In millions of dollars, except per share amounts)

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Revenues from continuing operations	\$ 246.8	\$ 274.9	\$ 263.7	\$ 254.3	\$ 289.4	\$ 248.8	\$ 207.0	\$ 190.9
Earnings from operations	\$ 8.1	\$ 26.8	\$ 24.4	\$ 17.5	\$ 22.6	\$ 15.9	\$ 14.1	\$ 14.4
Adjusted earnings from operations	\$ 23.2	\$ 32.1	\$ 31.7	\$ 27.4	\$ 34.7	\$ 27.2	\$ 27.0	\$ 21.1
Income from continuing operations	\$ 1.4	\$ 15.5	\$ 12.8	\$ 9.8	\$ 13.9	\$ 8.6	\$ 7.4	\$ 9.0
Income (loss) from discontinued operations	\$ —	\$ —	\$ —	\$ —	\$ 2.2	\$ (0.0)	\$ 7.1	\$ 6.9
Net income	\$ 1.4	\$ 15.5	\$ 12.8	\$ 9.8	\$ 16.1	\$ 8.6	\$ 14.5	\$ 15.9
Basic earnings per share from continuing operations	\$ 0.02	\$ 0.16	\$ 0.14	\$ 0.11	\$ 0.15	\$ 0.09	\$ 0.08	\$ 0.10
Adjusted basic earnings per share from continuing operations	\$ 0.14	\$ 0.21	\$ 0.19	\$ 0.18	\$ 0.24	\$ 0.18	\$ 0.19	\$ 0.15
Basic earnings (loss) per share from discontinued operations	\$ —	\$ —	\$ —	\$ —	\$ 0.03	\$ (0.00)	\$ 0.08	\$ 0.08
Basic earnings per share	\$ 0.02	\$ 0.16	\$ 0.14	\$ 0.11	\$ 0.18	\$ 0.09	\$ 0.16	\$ 0.18
Diluted earnings per share from continuing operations	\$ 0.02	\$ 0.16	\$ 0.14	\$ 0.11	\$ 0.15	\$ 0.09	\$ 0.08	\$ 0.10
Diluted earnings (loss) per share from discontinued operations	\$ —	\$ —	\$ —	\$ —	\$ 0.03	\$ (0.00)	\$ 0.08	\$ 0.07
Diluted earnings per share	\$ 0.02	\$ 0.16	\$ 0.14	\$ 0.11	\$ 0.18	\$ 0.09	\$ 0.16	\$ 0.17
Order Bookings	\$ 390.0	\$ 228.0	\$ 230.0	\$ 222.0	\$ 317.0	\$ 287.0	\$ 216.0	\$ 160.0
Order Backlog	\$ 652.0	\$ 546.0	\$ 589.0	\$ 590.0	\$ 632.0	\$ 602.0	\$ 561.0	\$ 425.0

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. 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, the timing of third-party content and by the timing of acquisitions. 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 its customers.

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.

A 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 19 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 20 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 cost 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 12 to the consolidated financial statements. The Company performed its annual impairment test of goodwill as at March 31, 2016 and determined there was no impairment (March 31, 2015 – \$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 consolidated statement of financial position 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 16 of the consolidated financial statements.

Accounting Standards Adopted in Fiscal 2016

IAS 19 – EMPLOYEE BENEFITS: Effective April 1, 2015, the Company adopted the amendments to IAS 19 – *Employee Benefits* ("IAS 19"). The amendments 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. The application of the amendments to IAS 19 had no impact on the consolidated financial statements of the Company.

IFRS 8 – OPERATING SEGMENTS: IFRS 8 – *Operating Segments* has been amended 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. As the Company operates in one segment, there has been no impact to the financial statements related to these amendments.

IFRS 9 – FINANCIAL INSTRUMENTS: Effective December 28, 2015, the Company early adopted IFRS 9. IFRS 9 replaces IAS 39 and addresses the accounting for financial instruments including hedge accounting. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, FVTOCI and FVTPL. IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The business model assessment was completed based on the facts and circumstances which existed as at the initial date of application. IFRS 9 eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale. Under IFRS 9, derivative embedded contracts where the host is a financial asset in the scope of IFRS 9 are never bifurcated. Instead, the whole hybrid instrument is assessed for classification. The requirements for classification and measurement of financial liabilities under IFRS 9 largely carry forward existing requirements in IAS 39.

IFRS 9 replaces the "incurred loss" model under IAS 39 with an "expected credit loss" model as it relates to the impairment of financial assets. The new impairment model does not apply to equity investments. The Company's trade receivables generally have a maturity date of 90 days or less, therefore the adoption of this model did not impact the Company's financial statements.

IFRS 9 amends the requirements for hedge effectiveness and consequently the application of hedge accounting. The IAS 39 effectiveness test is replaced with a requirement for an economic relationship between the hedged item and the hedging instrument, and for the "hedged ratio" to be the same as that used by the Company for risk management purposes. The new standard requires alignment between the risk management objective of an individual hedging relationship and the risk management strategy of the Company. When assessing hedge effectiveness under IFRS 9, the Company is required to ensure credit risk due to counterparty or own creditworthiness does not dominate the change in fair value of either the hedged item or hedging instrument. Generally, the mechanics of hedge accounting remain unchanged.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. However, in accordance with the IFRS 9 transitional provisions, the Company has elected not to restate the comparative periods. Financial instruments derecognized prior to the effective date were accounted for in accordance with IAS 39, as permitted under the transitional provisions of IFRS 9. The IFRS 9 adoption did not impact the measurement or carrying amounts of financial instruments and therefore did not impact retained earnings.

Classification impact: IFRS 9 introduced new financial instrument classification guidance. The classification effects of adopting IFRS 9 are noted below. There was no effect on the carrying value of the Company's financial assets upon adoption of IFRS 9.

Financial Statement Line	IAS 39 Classification	IFRS 9 Classification
Cash and cash equivalents	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Deposits	Loans and receivables	Amortized cost
Bank indebtedness	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Long-term debt	Amortized cost	Amortized cost
Derivatives	FVTPL	FVTPL
Derivatives designated as cash flow hedges	FVTOCI	FVTOCI

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* ("IFRS 15") 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, 2018 with early option permitted. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

IFRS 16 – LEASES: In January 2016, the IASB issued IFRS 16 – *Leases* which requires lessees to recognize assets and liabilities for most leases. There are minimal changes to the existing accounting in IAS 17 – *Leases* from the perspective of lessors. The new standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted provided IFRS 15 has been adopted or is adopted at the same date. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

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, 2016 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, 2016, 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, 2016, 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.

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 from financial institutions;
- 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, United States Foreign Corrupt Practices Act and anti-bribery laws risks;
- Intellectual property protection risks;
- 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 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 Company's growth strategy: grow, expand, and scale; the receipt of an Order Booking in relation to an enterprise program with a North American-based customer and the expected timing of substantial completion for same; potential impact of general economic environment, including impact on Order Bookings; activity in the markets 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 expected impact of the sales organization's approach to market on Order Bookings, performance period, and timing of revenue recognition; the Company's Order Backlog partially mitigating the impact of volatility in Order Bookings; the rate of completion of Order Backlog; the Company's expectation of lower revenues in the first quarter of fiscal 2017 and the expected negative impact of this on earnings from operations during the same period; management's expectations in relation to the impact of management focus and strategic initiatives on ATS operations; the Company's strategy to expand organically and through acquisition; the Company's expectation with respect to effective tax rate; management's expectation with respect to non-cash working capital as a percentage of revenues; expectation in relation to meeting funding requirements for investments; expectation to use increased leverage to support growth strategy; the Company's belief with respect to the outcome of certain lawsuits, claims and contingencies; and the Company's expectation with respect to a reduction of interest expense resulting from cross-currency interest rate swaps. 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 markets 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; that the timing of completion of the enterprise program with a North American-based customer is other than expected due to reasons, including schedule changes, or the customer exercising any right to terminate the program in whole or in part; failure or delays associated with new customer programs; timing of customer decisions related to large enterprise programs and potential for greater negative impact associated with any non-performance in relation thereto; variations in the amount of Order Backlog completed in any given quarter; that customers are more difficult to engage than expected; that strategic initiatives are delayed, not completed, or do not have intended positive impact; 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 the effective tax rate is other than expected, due to reasons including income spread among jurisdictions being other than anticipated; non-cash working capital as a percentage of revenues operating at a level other than as expected due to reasons, including, the timing and nature of Order Bookings, the timing of payment milestones and payment terms in customer contracts, and delays in customer programs; that near term Order Bookings are made and renewed quickly so as to offset decreased Order Backlog to a degree other than expected; risk that the ultimate outcome of lawsuits, claims, and contingencies give rise to material liabilities for which no accruals have been made; 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.

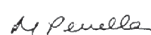
Management's responsibilities for financial reporting are overseen by the Board of Directors (the "Board"), which is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit and Finance Committee (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 generally accepted 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, 2016 and 2015, 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

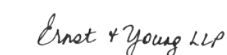
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Toronto, Canada,
May 18, 2016.



**Chartered Professional
Accountants**
Licensed Public Accountants

Consolidated Statements of Financial Position (In thousands of Canadian dollars)

As at	Note	March 31, 2016	March 31, 2015
ASSETS	17		
Current assets			
Cash and cash equivalents		\$ 170,034	\$ 106,052
Accounts receivable		195,911	145,342
Costs and earnings in excess of billings on contracts in progress	8	202,694	192,813
Inventories	8	46,200	42,079
Deposits, prepaids and other assets	9	22,324	14,731
		637,163	501,017
Assets held for sale	6	—	4,221
		637,163	505,238
Non-current assets			
Property, plant and equipment	10	71,060	83,901
Investment property	11	4,211	3,880
Goodwill	12	431,747	405,881
Intangible assets	13	177,065	183,610
Deferred income tax assets	19	2,534	5,057
Investment tax credit receivable	19	43,683	33,107
		730,300	715,436
Total assets		\$ 1,367,463	\$ 1,220,674
LIABILITIES AND EQUITY			
Current liabilities			
Bank indebtedness	17	\$ 2,319	\$ 1,731
Accounts payable and accrued liabilities		178,826	200,871
Provisions	15	20,267	10,419
Billings in excess of costs and earnings on contracts in progress	8	126,127	76,031
Current portion of long-term debt	17	5,259	3,372
		332,798	292,424
Liabilities directly associated with assets held for sale	6	—	5,717
		332,798	298,141
Non-current liabilities			
Employee benefits	16	28,252	24,777
Long-term debt	17	316,120	286,154
Deferred income tax liabilities	19	39,740	40,870
		384,112	351,801
Total liabilities		\$ 716,910	\$ 649,942
Commitments and Contingencies	17, 21		
EQUITY			
Share capital	18	\$ 528,184	\$ 519,118
Contributed surplus		13,201	14,420
Accumulated other comprehensive income		68,319	33,434
Retained earnings		40,634	3,590
Equity attributable to shareholders		650,338	570,562
Non-controlling interests		215	170
Total equity		650,553	570,732
Total liabilities and equity		\$ 1,367,463	\$ 1,220,674

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	2016	2015
Revenues			
Revenues from construction contracts		\$ 617,487	\$ 651,710
Sale of goods		80,153	62,997
Services rendered		342,000	221,370
Total revenues		1,039,640	936,077
Operating costs and expenses			
Cost of revenues		780,948	691,067
Selling, general and administrative		179,297	173,703
Stock-based compensation	20	2,638	4,316
Earnings from operations		76,757	66,991
Net finance costs	23	26,652	11,931
Income from continuing operations before income taxes		50,105	55,060
Income tax expense	19	10,507	16,162
Income from continuing operations		39,598	38,898
Income from discontinued operations, net of tax	7	—	16,198
Net income		\$ 39,598	\$ 55,096
Attributable to			
Shareholders		\$ 39,553	\$ 54,963
Non-controlling interests		45	133
		\$ 39,598	\$ 55,096
Earnings per share attributable to shareholders	24		
Basic – from continuing operations		\$ 0.43	\$ 0.43
Basic – from discontinued operations	7	—	0.18
		\$ 0.43	\$ 0.61
Earnings per share attributable to shareholders	24		
Diluted – from continuing operations		\$ 0.43	\$ 0.42
Diluted – from discontinued operations	7	—	0.18
		\$ 0.43	\$ 0.60

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income (In thousands of Canadian dollars)

Years ended March 31	2016	2015
Net income	\$ 39,598	\$ 55,096
Other comprehensive income (loss):		
Items to be reclassified subsequently to net income:		
Currency translation adjustment (net of income taxes of \$nil)	30,780	(914)
Net unrealized gain (loss) on derivative financial instruments designated as cash flow hedges	1,309	(4,584)
Tax impact	(349)	1,145
Loss transferred to net income for derivatives designated as cash flow hedges	4,136	2,417
Tax impact	(1,029)	(600)
Cash flow hedge reserve adjustment	51	—
Tax impact	(13)	—
Items that will not be reclassified subsequently to net income:		
Actuarial gains (losses) on defined benefit pension plans	1,099	(4,245)
Tax impact	(317)	1,198
Other comprehensive income (loss)	35,667	(5,583)
Comprehensive income	\$ 75,265	\$ 49,513
Attributable to		
Shareholders	\$ 75,220	\$ 49,380
Non-controlling interests	45	133
	\$ 75,265	\$ 49,513

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Changes in Equity (In thousands of Canadian dollars)

Year ended March 31, 2016								
	Share capital	Contributed surplus	Retained earnings (deficit)	Currency translation adjustments	Cash flow hedge reserve	Total accumulated other comprehensive income	Non-controlling interests	Total equity
Balance, as at March 31, 2015	\$ 519,118	\$ 14,420	\$ 3,590	\$ 35,702	\$ (2,268)	\$ 33,434	\$ 170	\$ 570,732
Net income	—	—	39,553	—	—	—	45	39,598
Other comprehensive income	—	—	782	30,780	4,105	34,885	—	35,667
Total comprehensive income	—	—	40,335	30,780	4,105	34,885	45	75,265
Stock-based compensation	—	1,899	—	—	—	—	—	1,899
Exercise of stock options	11,807	(3,118)	—	—	—	—	—	8,689
Repurchase of common shares	(2,741)	—	(3,291)	—	—	—	—	(6,032)
Balance, at March 31, 2016	\$ 528,184	\$ 13,201	\$ 40,634	\$ 66,482	\$ 1,837	\$ 68,319	\$ 215	\$ 650,553

Year ended March 31, 2015								
	Share capital	Contributed surplus	Retained earnings (deficit)	Currency translation adjustments	Cash flow hedge reserve	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

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows (In thousands of Canadian dollars)

Years ended March 31	Note	2016	2015
Operating activities			
Income from continuing operations		\$ 39,598	\$ 38,898
Items not involving cash			
Depreciation of property, plant and equipment		9,681	8,208
Amortization of intangible assets		29,681	32,316
Deferred income taxes	19	(232)	1,002
Other items not involving cash		(9,560)	(5,952)
Stock-based compensation	20	2,638	4,316
Gain on disposal of property, plant and equipment		(5,232)	(295)
		66,574	78,493
Change in non-cash operating working capital		(30,814)	3,580
Cash flows used in operating activities of discontinued operations	7	—	(1,556)
Cash flows provided by operating activities		\$ 35,760	\$ 80,517
Investing activities			
Acquisition of property, plant and equipment	10	\$ (10,050)	\$ (11,154)
Acquisition of intangible assets	13	(5,611)	(6,752)
Business acquisition, net of cash acquired	5	—	(355,381)
Purchase of non-controlling interest	5	(71)	(4,426)
Proceeds from disposal of property, plant and equipment		22,323	8,942
Proceeds on sale of subsidiary	6	2,274	—
Cash flows provided by investing activities of discontinued operations	7	—	22,097
Cash flows provided by (used in) investing activities		\$ 8,865	\$ (346,674)
Financing activities			
Restricted cash	9	\$ —	\$ 327
Bank indebtedness		661	645
Repayment of long-term debt		(290,984)	(82,692)
Proceeds from long-term debt		303,670	363,653
Issuance of common shares		8,689	5,921
Repurchase of common shares	18	(6,032)	—
Cash flows provided by financing activities		\$ 16,004	\$ 287,854
Effect of exchange rate changes on cash and cash equivalents		2,879	6,215
Increase in cash and cash equivalents		63,508	27,912
Cash and cash equivalents, beginning of year		106,526	78,614
Cash and cash equivalents, end of year		\$ 170,034	\$ 106,526
Attributable to			
Cash and cash equivalents – continuing operations		\$ 170,034	\$ 106,052
Cash and cash equivalents – held for sale		—	474
		\$ 170,034	\$ 106,526
Supplemental information			
Cash income taxes paid by continuing operations		\$ 10,078	\$ 11,980
Cash interest paid by continuing operations		\$ 16,619	\$ 10,874

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 22 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, 2016 were authorized for issue by the Board of Directors on May 18, 2016.

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 IFRS 9 – *Financial Instruments* ("IFRS 9") 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 IFRS 9, 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 its 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:

Policy applicable to December 27, 2015:

Financial assets: Financial assets within the scope of IAS 39 – *Financial Instruments: Recognition and Measurement* ("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

Policy applicable from December 28, 2015:

Recognition: Financial assets and financial liabilities are recognized on the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Classification: From December 28, 2015 (the date the Company early adopted IFRS 9), the Company classified its financial assets and financial liabilities in the following measurement categories: amortized cost, fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI"), or derivatives designated as a hedging instrument in an effective hedge. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are measured at amortized cost where the business model is to hold the financial asset to collect its contractual cash flows.

Financial liabilities are classified to be measured at amortized cost, derivatives designated as a hedging instrument in an effective hedge, or they are designated to be measured subsequently at FVTPL. For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company classifies and measures financial assets (excluding derivatives) on initial recognition as described below:

- Cash and cash equivalents and restricted cash are classified as and measured at amortized cost.
- Accounts receivable are classified as and measured at amortized cost using the effective interest rate method, less any impairment allowance. Accounts receivable are held within a hold-to-collect business model. The Company does not factor or sell any of its trade receivables.

Accounts payable, bank indebtedness, and long-term debt are classified as other financial liabilities and are measured at amortized cost using the effective interest rate method.

Measurement: All financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial instruments classified as amortized costs are included with the carrying value of such instruments. Transaction costs directly attributable to the acquisition of financial instruments classified as fair value through profit or loss are recognized immediately in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amounts outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at fair value at the end of subsequent accounting periods, with changes recognized in profit or loss or other comprehensive income (irrevocable election at the time of recognition). Designation at FVTOCI is not permitted if the equity investment is held for trading. The cumulative fair value gain or loss will not be reclassified to profit or loss on the disposal of the investments.

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.

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.

Impairment: The Company recognizes expected credit losses for trade receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

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. Trade receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

The Company measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

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**Policy applicable to December 27, 2015:**

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.

Policy applicable from December 28, 2015:

The Company may use derivative financial instruments such as forward foreign exchange contracts and cross-currency interest rate swaps to hedge its foreign currency risk. The Company designates certain derivative financial instruments as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. At the inception of the hedge relationship, the Company documents the economic relationship between the hedging instrument and the hedged item including whether the hedging instrument is expected to offset changes in cash flows of hedged items. At the inception of each hedging relationship, the Company documents its risk management objective, its strategy for undertaking various hedge transactions and how the Company will assess the hedging instrument's effectiveness in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. The 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 criteria for hedge accounting are accounted for as follows:

Cash flow hedges: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow reserve, while any ineffective portion is recognized immediately in the consolidated statements of income.

Amounts recognized in other comprehensive income and accumulated in equity are transferred to the consolidated statements of income when the hedged item is recognized in profit or loss. These earnings are included within the same line of the consolidated statements of income as the hedged item. 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, and cross-currency interest rate swap contracts as hedges of its exposure to foreign-currency-denominated senior notes. 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 in 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 uses cross-currency interest rate swap 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.

Transition expenses: The Company recognizes transition expenses at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those expenses; and (b) when the Company recognizes costs for a transition that is within the scope of IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of transition benefits.

In the case of a voluntary departure, the Company can no longer withdraw an offer of transition expenses when either the employee accepts the offer, or when a restriction on the Company's ability to withdraw the offer exists. In the case of an involuntary departure, the Company can no longer withdraw an offer of transition benefits when it has communicated to the affected employees a plan of termination.

(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 profit or loss 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.

The accounting method for other long-term employee benefit plans is similar to the method used for defined benefit plans, except that all actuarial gains and losses are recognized immediately in the consolidated statements of income.

(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 2016: Certain new standards and amendments to standards that were adopted on April 1, 2015 are noted below.

(i) Effective April 1, 2015, the Company adopted the amendments to IAS 19 – *Employee Benefits* ("IAS 19"). The amendments 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. The application of the amendments to IAS 19 had no impact on the consolidated financial statements of the Company.

(ii) IFRS 8 – *Operating Segments* has been amended 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. As the Company operates in one segment, there has been no impact to the financial statements related to these amendments.

(iii) Effective December 28, 2015, the Company early adopted IFRS 9. IFRS 9 replaces IAS 39 and addresses the accounting for financial instruments including hedge accounting. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, FVTOCI and FVTPL. IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The business model assessment was completed based on the facts and circumstances which existed as at the initial date of application. IFRS 9 eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale. Under IFRS 9, derivative embedded contracts where the host is a financial asset in the scope of IFRS 9 are never bifurcated. Instead, the whole hybrid instrument is assessed for classification. The requirements for classification and measurement of financial liabilities under IFRS 9 largely carry forward existing requirements in IAS 39.

IFRS 9 replaces the "incurred loss" model under IAS 39 with an "expected credit loss" model as it relates to the impairment of financial assets. The new impairment model does not apply to equity investments. The Company's trade receivables generally have a maturity date of 90 days or less, therefore the adoption of this model did not impact the Company's financial statements.

IFRS 9 amends the requirements for hedge effectiveness and consequently the application of hedge accounting. The IAS 39 effectiveness test is replaced with a requirement for an economic relationship between the hedged item and the hedging instrument, and for the "hedged ratio" to be the same as that used by the Company for risk management purposes. The new standard requires alignment between the risk management objective of an individual hedging relationship and the risk management strategy of the Company. When assessing hedge effectiveness under IFRS 9, the Company is required to ensure credit risk due to counterparty or own creditworthiness does not dominate the change in fair value of either the hedged item or hedging instrument. Generally, the mechanics of hedge accounting remain unchanged.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. However, in accordance with the IFRS 9 transitional provisions, the Company has elected not to restate the comparative periods. Financial instruments derecognized prior to the effective date were accounted for in accordance with IAS 39, as permitted under the transitional provisions of IFRS 9. The IFRS 9 adoption did not impact the measurement or carrying amounts of financial instruments and therefore did not impact retained earnings.

Classification impact: IFRS 9 introduced new financial instrument classification guidance. The classification effects of adopting IFRS 9 are noted below. There was no effect on the carrying value of the Company's financial assets upon adoption of IFRS 9.

Financial Statement Line	IAS 39 Classification	IFRS 9 Classification
Cash and cash equivalents	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Deposits	Loans and receivables	Amortized cost
Bank indebtedness	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Long-term debt	Amortized cost	Amortized cost
Derivatives	FVTPL	FVTPL
Derivatives designated as cash flow hedges	FVTOCI	FVTOCI

(u) 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, 2016 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* ("IFRS 15") 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, 2018, with early adoption permitted. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

(ii) *IFRS 16 – Leases:* In January 2016, the IASB issued IFRS 16 – *Leases* which requires lessees to recognize assets and liabilities for most leases. There are minimal changes to the existing accounting in IAS 17 – *Leases* from the perspective of lessors.

The new standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted provided IFRS 15 has been adopted or is adopted at the same date. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

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:

(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 19, 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 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.

(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 20 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 12 and 13 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, the cost of other long-term employee benefit 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 16.

(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 remaining balance paid in May 2015. In addition, the Company incurred \$9,224 of transaction costs in fiscal 2015 related to the acquisition which were recognized in selling, general and administrative expenses.

Cash used in investing activities was 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.

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

Purchase price allocation		
Cash	\$	11,829
Current assets		66,350
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		105,053
Residual purchase price allocated to goodwill		262,157
	\$	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 \$38,900 and \$27,100 of the amounts assigned to goodwill and intangible assets are expected to be deductible for tax purposes.

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 \$4,497 (3,250 Euro), which includes expected future payments of \$1,189 (859 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.

6 Divestiture

During the year ended March 31, 2016, the Company sold its Swiss-based subsidiary, ATS Wickel-und Montagetechnik AG, which has previously been recorded as assets held for sale, for cash proceeds of \$2,274 (1,716 CHF).

The major classes of assets and liabilities of ATS Wickel-und Montagetechnik AG classified as held for sale at March 31, 2015 were 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 Discontinued Operations

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.

Year ended	March 31, 2015
Gain on sale	16,693
Operating costs and expenses	\$ (502)
Income from discontinued operations	16,191
Net finance costs	1
Income from discontinued operations before income taxes	16,190
Income tax recovery	8
Income from discontinued operations, net of tax	\$ 16,198
Income per share	
Basic and diluted - from discontinued operations	\$ 0.18

8 Construction Contracts and Inventories

As at	March 31, 2016	March 31, 2015
Contracts in progress:		
Costs incurred	\$ 1,338,603	\$ 1,187,283
Estimated earnings	415,450	370,309
	1,754,053	1,557,592
Progress billings	(1,677,486)	(1,440,810)
	\$ 76,567	\$ 116,782
Disclosed as:		
Costs and earnings in excess of billings on contracts in progress	\$ 202,694	\$ 192,813
Billings in excess of costs and earnings on contracts in progress	(126,127)	(76,031)
	\$ 76,567	\$ 116,782

As at	March 31, 2016	March 31, 2015
Inventories are summarized as follows:		
Raw materials	\$ 11,328	\$ 11,708
Work in progress	32,530	28,984
Finished goods	2,342	1,387
	\$ 46,200	\$ 42,079

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, 2016 was \$233 (March 31, 2015 – \$906). The amount of inventories carried at net realizable value as at March 31, 2016 was \$1,664 (March 31, 2015 – \$1,778).

9 Deposits, Prepaids and Other Assets

As at	March 31, 2016	March 31, 2015
Prepaid assets	\$ 7,557	\$ 6,937
Restricted cash ⁽ⁱ⁾	443	409
Supplier deposits	8,842	5,537
Forward foreign exchange contracts	5,453	1,785
Other assets	29	63
	\$ 22,324	\$ 14,731

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

10 Property, Plant and Equipment

	Land	Buildings and leaseholds	Production equipment	Other equipment	Total
Cost:					
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 (note 5)	—	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
Additions	—	1,453	897	7,700	10,050
Disposals	(4,978)	(24,381)	(2,737)	(4,438)	(36,534)
Exchange and other adjustments	924	5,090	1,051	474	7,539
Balance, at March 31, 2016	\$ 16,619	\$ 67,620	\$ 14,175	\$ 39,456	\$ 137,870

	Land	Buildings and leaseholds	Production equipment	Other equipment	Total
Depreciation:					
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)
Depreciation expense	—	(3,222)	(885)	(5,574)	(9,681)
Disposals	—	13,091	2,727	3,962	19,780
Exchange and other adjustments	—	(2,480)	(838)	(677)	(3,995)
Balance, at March 31, 2016	\$ —	\$ (34,388)	\$ (10,386)	\$ (22,036)	\$ (66,810)
Net book value:					
At March 31, 2016	\$ 16,619	\$ 33,232	\$ 3,789	\$ 17,420	\$ 71,060
At March 31, 2015	\$ 20,673	\$ 43,681	\$ 3,574	\$ 15,973	\$ 83,901

Included in other equipment as at March 31, 2016 is \$301 (March 31, 2015 – \$1,341) of assets which are under construction and have not been depreciated.

11 Investment Property

	2016		2015	
Balance, at April 1	\$	3,880	\$	4,341
Foreign exchange adjustment		331		(461)
Balance, at March 31	\$	4,211	\$	3,880

The estimated fair value of the Company's investment property at March 31, 2016 and March 31, 2015 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.

12 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, 2016		March 31, 2015	
Automation Systems Group	\$	431,747	\$	405,881

	2016		2015	
Balance at April 1	\$	405,881	\$	151,731
Acquisition – PA (note 5)		923		261,234
Foreign exchange		24,943		(7,084)
Balance at March 31	\$	431,747	\$	405,881

The Company performed its annual impairment test of goodwill as at March 31, 2016. 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, 2016 were compared to the budgeted results for the year ending March 31, 2017, 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 9.5% to 12.5% 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.

13 Intangible Assets

	Development Projects	Computer software, licenses and other	Technology	Customer relationships	Brands	Total
Cost:						
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 (note 5)	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	\$ 36,695	\$ 21,605	\$ 166,088	\$ 12,238	\$ 247,045
Additions	2,599	3,012	—	—	—	5,611
Disposals	—	(873)	—	—	—	(873)
Exchange and other adjustments	472	(10,502)	1,723	17,242	1,046	9,981
Balance, at March 31, 2016	\$ 13,490	\$ 28,332	\$ 23,328	\$ 183,330	\$ 13,284	\$ 261,764

	Development Projects	Computer software, licenses and other	Technology	Customer relationships	Brands	Total
Amortization:						
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)
Amortization	(1,512)	(6,087)	(2,639)	(19,443)	—	(29,681)
Disposals	—	782	—	—	—	782
Exchange and other adjustments	(64)	10,750	(640)	(2,411)	—	7,635
Balance, at March 31, 2016	\$ (5,700)	\$ (18,036)	\$ (10,935)	\$ (50,028)	\$ —	\$ (84,699)
Net book value:						
At March 31, 2016	\$ 7,790	\$ 10,296	\$ 12,393	\$ 133,302	\$ 13,284	\$ 177,065
At March 31, 2015	\$ 6,295	\$ 13,214	\$ 13,949	\$ 137,914	\$ 12,238	\$ 183,610

As at March 31, 2016, there are no intangible assets included in computer software, licenses and other intangibles that are in development and have not been depreciated (March 31, 2015 – \$150). 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, 2016. The recoverable amount of 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, 2017, 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.

14 Financial Instruments and Risk Management

(a) SUMMARY OF FINANCIAL INSTRUMENTS

(i) **Categories of financial instruments:** The carrying values of the Company's financial instruments are classified into the following categories:

As at					March 31, 2016
	Fair value through profit or loss	Amortized cost	Fair value through other comprehensive income		Total carrying value
Financial assets:					
Cash and cash equivalents	\$ —	\$ 170,034	\$ —		\$ 170,034
Trade accounts receivable	—	182,998	—		182,998
Financial liabilities:					
Bank indebtedness	—	(2,319)	—		(2,319)
Trade accounts payable and accrued liabilities	—	(138,610)	—		(138,610)
Long-term debt	—	(321,379)	—		(321,379)
Derivative instruments:					
Held for trading derivatives that are not designated in hedge accounting relationships – gain ⁱ	1,961	—	—		1,961
Derivative instruments in designated hedge accounting relationships – gain ⁱ	—	—	2,416		2,416
Cross-currency interest rate swap – loss ⁱⁱ	—	—	(1,197)		(1,197)

As at					March 31, 2015
	Fair value through profit or loss	Amortized cost	Fair value through other comprehensive income		Total carrying value
Financial assets:					
Cash and cash equivalents	\$ —	\$ 106,052	\$ —		\$ 106,052
Trade accounts receivable	—	138,476	—		138,476
Financial liabilities:					
Bank indebtedness	—	(1,731)	—		(1,731)
Trade accounts payable and accrued liabilities	—	(172,115)	—		(172,115)
Long-term debt	—	(289,526)	—		(289,526)
Derivative instruments:					
Held for trading derivatives that are not designated in hedge accounting relationships – loss ⁱ	(259)	—	—		(259)
Derivative instruments in designated hedge accounting relationships – loss ⁱ	—	—	(3,029)		(3,029)

(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) The cross-currency interest rate swap instrument in a loss position is included in accounts payable and accrued liabilities on the consolidated statements of financial position.

(ii) **Fair value measurements:** The following table summarizes the Company's financial instruments that are carried or disclosed at fair value and indicates the fair value hierarchy that reflects the significance of the inputs used in making the measurements:

As at		March 31, 2016			
	Carrying value	Level 1	Level 2	Level 3	Fair value total
Measured at fair value:					
Held for trading derivatives that are not designated in hedge accounting relationships	\$ 1,961	\$ —	\$ 1,961	\$ —	\$ 1,961
Derivative instruments in designated hedge accounting relationships	2,416	—	2,416	—	2,416
Cross-currency interest rate swap	(1,197)	—	(1,197)	—	(1,197)
Disclosed at fair value:					
Investment property	4,211	—	—	4,211	4,211
Bank indebtedness	(2,319)	—	(2,319)	—	(2,319)
Long-term debt	(321,379)	—	(321,379)	—	(321,379)

As at		March 31, 2015			
	Carrying value	Level 1	Level 2	Level 3	Fair value total
Measured at fair value:					
Held for trading derivatives that are not designated in hedge accounting relationships	\$ (259)	\$ —	\$ (259)	\$ —	\$ (259)
Derivative instruments in designated hedge accounting relationships	(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)

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. The fair value of the Company's derivative instruments is estimated using a discounted cash flow technique incorporating inputs that are observable in the market or can be derived from observable market data. The derivative contract counterparties are highly rated multinational financial institutions.

During the years ended March 31, 2016 and March 31, 2015, 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.

(b) RISKS ARISING FROM FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company manages its market risk through the use of various financial derivative instruments. The Company uses these instruments to mitigate exposure to fluctuations in foreign exchange rates. The Company's strategy, policies and controls are designed to ensure that the risks it assumes comply with the Company's internal objectives and its risk tolerance. The Company does not enter into derivative financial agreements for speculative purposes. As such, any change in cash flows associated with derivative instruments is designed to be offset by changes in cash flows of the relevant risk being hedged.

When appropriate the Company applies hedge accounting. Hedging does not guard against all risks and is not always effective. The Company may recognize financial losses as a result of volatility in the market values of these contracts. The fair values of these instruments represent the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The fair value of these derivatives is determined using valuation techniques such as discounted cash flow analysis. The valuation technique incorporates all factors that would be considered in setting a price, including the Company's own credit risk as well as the credit risk of the counterparty.

Foreign 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 which may have an impact on operating results and cash flows. The types of foreign exchange risk can be categorized as follows:

Translation exposure: Each foreign operation's assets and liabilities are translated from the subsidiary's functional currency into Canadian dollars using the exchange rates in effect at the consolidated 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 risks arising from the translation of assets and liabilities of foreign operations into the Company's functional currency are hedged 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, 2016 of approximately +/- \$15,885 and \$2,105 respectively (2015 +/- \$23,733 and \$16,242) and on income from continuing operations before income taxes for the year ended March 31, 2016 of approximately +/- \$30 and \$1,525 respectively (2015 +/- \$138 and \$677).

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.

Transaction exposure: The Company generates significant revenues in foreign currencies, which exceed the natural hedge provided by purchases of goods and services in those currencies. The Company's risk management objective is to reduce cash flow risk related to foreign-currency-denominated cash flows. In order to manage foreign currency exposure in subsidiaries which have transaction exposure in currencies other than the subsidiary's 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.

The Company's U.S.-dollar-denominated Senior Notes are translated into Canadian dollars at the foreign exchange rate in effect at the consolidated statement of financial position date. As a result, the Company is exposed to foreign currency translation gains and losses. The Company uses cross-currency interest rate swaps as derivative financial instruments to hedge a portion of its foreign exchange risk related to the Senior Notes. The balance of the Senior Notes is designated as a hedge of the U.S.-dollar-denominated net investment in foreign operations.

Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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. The Company manages interest rate risk on a portfolio basis and seeks financing terms in individual arrangements that are most advantageous taking into account all relevant factors, including credit margin, term and basis. The risk management objective is to minimize the potential for changes in interest rates to cause adverse changes in cash flows to the Company. As at March 31, 2016, \$4,802 or 1% (March 31, 2015 – \$287,722 or 99%) 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 +/- \$5 on income from continuing operations before income taxes for the year ended March 31, 2016 (March 31, 2015 +/- \$2,877).

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 mainly of cash and cash equivalents, 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. Cash and cash equivalents held by major financial institutions. 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 a portion of these balances being covered through insurance purchased by the Company.

Trade receivables – aged by due date as at	March 31, 2016	March 31, 2015
Current	\$ 134,778	\$ 115,298
1 – 30 days	33,322	12,104
31 – 60 days	6,178	2,949
61 – 90 days	3,267	2,613
Over 90 days	7,986	7,801
Total	\$ 185,531	\$ 140,765

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

	2016	2015
Balance at April 1	\$ 2,289	\$ 3,785
Provisions and revisions	315	(1,487)
Foreign exchange	(71)	(9)
Balance at March 31	\$ 2,533	\$ 2,289

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. The Company reviews counterparty credit ratings on a regular basis and sets credit limits when deemed necessary.

Liquidity risk: Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. The Company's process for managing liquidity risk includes ensuring, to the extent possible, that it will have sufficient liquidity to meet its liabilities when they become due. The Company requires authorizations for expenditures on projects and prepares annual capital expenditure budgets to assist with the management of capital. The Company's accounts payable primarily have contractual maturities of less than 90 days and the contractual cash flows equal their carrying value.

Trade payables – aged by due date as at	March 31, 2016	March 31, 2015
0 – 30 days	\$ 40,300	\$ 58,666
31 – 60 days	7,751	17,859
61 – 90 days	2,696	6,051
Over 90 days	4,221	4,965
Total	\$ 54,968	\$ 87,541

As at March 31, 2016, the Company was holding cash and cash equivalents of \$170,034 (March 31, 2015 – \$106,052) and had unutilized lines of credit of \$638,712 (March 31, 2015 – \$376,873). On June 17, 2015, the Company completed a private placement of U.S. \$250,000 aggregate principal amount of senior notes as described in note 17 to the consolidated financial statements. The Company expects that continued cash flows from operations in fiscal 2017, 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 long-term debt obligations and scheduled interest payments are presented in note 17 to the consolidated financial statements.

(c) HEDGE ACCOUNTING AND RISK MANAGEMENT CONTRACTS

Cash flow hedges – foreign currency risk of forecasted purchases and sales: The Company manages foreign exchange risk on its highly probable forecasted revenue and purchase transactions denominated in various foreign currencies. The Company has identified foreign exchange fluctuation risk as the hedged risk. To mitigate the risk, forward currency contracts are designated as the hedging instrument and are entered into to hedge a portion of the purchases and sales. The forward currency contracts limit the risk of variability in cash flows arising from foreign currency fluctuations. The Company has established a hedge ratio of 1:1 for all of its hedging relationships. The Company has identified counterparty credit risk as the only potential source of hedge ineffectiveness.

Cash flow hedges – foreign currency risk on foreign-currency-denominated Senior Notes: The Company uses cross-currency interest rate swaps as derivative financial instruments to hedge a portion of its foreign exchange risk related to its U.S.-dollar-denominated Senior Notes. On March 29, 2016, the Company entered into a cross-currency interest rate swap instrument to swap U.S. \$150,000 into Canadian dollars. The Company will receive interest of 6.50% U.S. per annum and pay interest of 6.501% Canadian. The terms of the hedging relationship will end on June 15, 2023. The Company has established a hedge ratio of 1:1 for all of its hedging relationships. The Company has identified counterparty credit risk as the only potential source of hedge ineffectiveness.

During the years ended March 31, 2016 and March 31, 2015 there were no unrealized gains or losses recognized in selling, general and administrative expenses for the ineffective portion of cash flow hedges.

Hedge of Euro-denominated net investment in foreign operations: The Company manages foreign exchange risk on its Euro-denominated net investments. The Company uses a cross-currency interest rate swap as derivative financial instruments to hedge a portion of the foreign exchange risk related to its Euro-denominated net investment. On March 29, 2016, the Company entered into a cross-currency interest rate swap instrument to swap 134,084 Euro into Canadian dollars. The Company will receive interest of 6.501% Canadian per annum and pay interest of 5.094% Euro. The terms of the hedging relationship will end on June 15, 2023. The Company has established a hedge ratio of 1:1 for all of its hedging relationships. The Company has identified counterparty credit risk as the only potential source of hedge ineffectiveness.

The following table summarizes the Company's outstanding cash flow hedge positions to buy and sell foreign currencies under forward foreign exchange contracts and cross-currency interest rate swaps:

As at		Carrying amount		Hedging instrument	Hedged item	Cash flow hedge reserves		
Currency sold	Currency bought	Nominal amount (in CAD dollars)	Assets	Liabilities	Changes in fair value used for calculating hedge ineffectiveness for 2016	Changes in fair value used for calculating hedge ineffectiveness for 2016	For continuing hedges	For discontinued hedges
Derivative hedging instruments⁽ⁱ⁾								
U.S. dollars	Canadian dollars	47,110	2,236	—	2,236	2,236	2,236	—
U.S. dollars	Euros	3,441	79	—	79	79	79	—
Euros	U.S. dollars	591	—	19	19	19	19	—
Euros	Canadian dollars	697	68	—	68	68	68	—
Chinese renminbi	Canadian dollars	241	5	—	5	5	5	—
British pounds	Canadian dollars	552	9	—	9	9	9	—
Canadian dollars	Euros	813	37	—	37	37	37	—
Cross-currency interest rate swap instruments⁽ⁱⁱ⁾								
U.S. dollars	Canadian dollars	198,805	51	—	51	51	51	—
Canadian dollars	Euros	198,136	—	1,248	1,248	1,248	1,248	—

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

(ii) The cross-currency interest rate swap instrument in a loss position is included in accounts payable and accrued liabilities on the consolidated statements of financial position.

The following summarizes the Company's amounts included in other comprehensive income that relate to hedge accounting:

As at						March 31, 2016
	Change in the value of the hedging instrument recognized in OCI gain / (loss)	Amount reclassified from the cash flow hedge reserve to profit or loss gain / (loss)	Hedge ineffectiveness recognized in profit or loss	Changes in fair value used for calculating hedge ineffectiveness for 2016	Line item affected in profit or loss because of the reclassification	
Cash flow hedges						
Foreign exchange risk:						
Revenue hedges	2,371	(4,170)	—	2,371	Revenues	
Purchase hedges	45	33	—	45	Cost of revenues	
Senior Notes hedge	(1,970)	—	—	(1,970)	Selling, general and administrative	
Euro net investment hedge	(1,197)	—	—	(1,197)	Net finance costs	

As at March 31, 2016, the Company is holding the following forward foreign exchange contracts to hedge the exposure on its revenues and purchases:

As at	March 31, 2016										
		Less than 3 months		3 to 6 months		6 to 9 months		9 to 12 months		1 to 2 years	
Currency sold	Currency bought	Nominal amount	Average hedged rate	Nominal amount	Average hedged rate	Nominal amount	Average hedged rate	Nominal amount	Average hedged rate	Nominal amount	Average hedged rate
Revenue hedges											
U.S. dollars	Canadian dollars	15,032	1.3165	6,883	1.3454	7,792	1.3941	7,013	1.4077	10,390	1.3738
U.S. dollars	Euros	982	0.9033	1,900	0.8934	559	0.8905	—	—	—	—
Euros	U.S. dollars	591	1.1036	—	—	—	—	—	—	—	—
Euros	Canadian dollars	—	—	901	1.5087	37	1.6892	—	—	—	—
Chinese renminbi	Canadian dollars	241	0.2050	—	—	—	—	—	—	—	—
Purchase hedges											
British Pounds	Canadian dollars	166	1.8302	121	1.8348	121	1.8375	106	1.8394	37	1.8409
Euros	Canadian dollars	1,054	1.3610	—	—	—	—	—	—	—	—

Instruments not subject to hedge accounting: As part of the Company's risk management strategy, forward contract derivative financial instruments are used to manage foreign currency exposure related to the translation of foreign currency net assets to the subsidiary's functional currency. As these instruments have not been designated as hedges, the change in fair value is recorded in selling, general and administrative expenses in the consolidated statements of income.

For the year ended March 31, 2016, the Company recorded risk management gains of \$3,765 (gains of \$3,889 for the year ended March 31, 2015) on foreign currency risk management forward contracts in the consolidated statements of income. Included in these amounts were unrealized gains of \$1,961 (losses of \$259 during the year ended March 31, 2015) representing the change in fair value. In addition, during the year ended March 31, 2016, the Company realized gains in foreign exchange of \$1,804 (gains of \$4,148 during the year ended March 31, 2015), which were settled.

15 Provisions

	Warranty	Restructuring	Executive transition expense	Other	Total
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
Provisions made	6,292	9,681	4,976	11,516	32,465
Provisions reversed	(2,108)	—	—	—	(2,108)
Provisions used	(3,962)	(9,251)	—	(7,822)	(21,035)
Exchange adjustments	295	220	—	11	526
Balance, at March 31, 2016	\$ 8,219	\$ 2,069	\$ 4,976	\$ 5,003	\$ 20,267

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.

EXECUTIVE TRANSITION EXPENSES: Further details of the executive transition expenses are provided in note 26.

16 Employee Benefits

The Company operates pension plans for certain of its employees through defined contribution plans, defined benefit plans and other long-term employee benefit plans. The costs associated with defined contribution plans are expensed as incurred. The most recent actuarial valuations of the defined benefit plans and other long-term employee benefit plans were completed as at March 31, 2016. The next valuations are scheduled to be as at March 31, 2017.

The changes in the fair value of assets, the employee benefit obligation and the funded status were as follows:

As at	March 31, 2016	March 31, 2015
Accrued benefit obligations:		
Opening balance	\$ 26,868	\$ 33,371
Acquisition of a subsidiary	—	1,313
Interest cost	601	1,058
Service cost	1,571	2,081
Assumption changes	(1,211)	4,095
Contributions	—	387
Transfers and benefits paid	(797)	(970)
Insurance premiums	—	(207)
Executive transition expenses ⁽ⁱ⁾	2,089	—
Foreign exchange	1,618	(1,393)
Accrued benefit obligations associated with assets held for sale	—	(12,867)
Accrued benefit obligations, ending balance	\$ 30,739	\$ 26,868
Plan assets:		
Opening balance	\$ 2,091	\$ 10,158
Interest income included in net interest expense	70	328
Company contributions	206	564
Employee contributions	—	387
Transfers and benefits paid	—	(213)
Insurance premiums	—	(207)
Foreign exchange	120	226
Plan assets associated with assets held for sale	—	(9,152)
Plan assets, ending balance	\$ 2,487	\$ 2,091
Employee benefits liability	\$ 28,252	\$ 24,777

(i) Further details of the executive transition expenses are provided in note 26.

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

As at	March 31, 2016	March 31, 2015
Total actuarial gains (losses) recognized in OCI	\$ 1,099	\$ (4,245)

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

	March 31, 2016	March 31, 2015
Discount rate	2.5%	1.7%
Rate of compensation increase	2.5%	2.1%

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, 2016, 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	\$ (3,840)	\$ 4,794	\$ 977	\$ (966)

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:

As at	March 31, 2016	March 31, 2015
Equity securities	0.0%	10.9%
Debt securities	0.0%	40.9%
Real estate	0.0%	22.8%
Other	100.0%	25.4%

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, 2016	March 31, 2015
Defined benefit plans		
Service cost	\$ 1,571	\$ 1,949
Interest cost	601	873
Executive transition expenses	2,089	—
	4,261	2,822
Defined contribution plans	3,513	2,600
Net employee benefits expense	\$ 7,774	\$ 5,422

The Company expects to contribute \$206 to its defined benefit plans during the year ended March 31, 2016.

The cumulative actuarial losses, net of income taxes, recognized as other comprehensive income as at March 31, 2016 was \$4,876 (March 31, 2015 – \$5,658).

17 Bank Indebtedness and Long-Term Debt

On June 17, 2015, the Company completed a private placement of U.S. \$250,000 aggregate principal amount of senior notes (the "Senior Notes"). Transaction fees of \$7,200 were deferred and will be amortized over the term of the Senior Notes. The Senior Notes are unsecured, were issued at par, bear interest at a rate of 6.50% per annum and mature on June 15, 2023. ATS used the majority of net proceeds from the Senior Notes to repay amounts outstanding under its senior secured credit facility, with the balance to be used for general corporate purposes. The Company may redeem the Senior Notes, in whole at any time or in part from time to time, at specified redemption prices and subject to certain conditions required by the Senior Notes. If the Company experiences a change of control, the Company may be required to repurchase the Senior Notes, in whole or in part, at a purchase price equal to 101% of the aggregate principal amount of the Senior Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Senior Notes contain customary covenants that restrict, subject to certain exceptions and thresholds, some of the activities of the Company and its subsidiaries, including the Company's ability to dispose of assets, incur additional debt, pay dividends, create liens, make investments, and engage in specified transactions with affiliates. Subject to certain exceptions, the Senior Notes are guaranteed by each of the subsidiaries of the Company that is a borrower or has guaranteed obligations under the Credit Facility. On March 29, 2016, the Company entered into cross-currency interest rate swap instruments to swap U.S. \$150,000 into Euros. The details of this instrument are presented in note 14 to the consolidated financial statements.

The Company's senior secured credit facility (the "Credit Facility") provides a committed revolving credit facility of \$750,000. The Credit Facility is secured by (i) the Company's assets, including real estate; (ii) assets, including certain 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, 2016, the Company had utilized \$115,053 under the Credit Facility, by way of letters of credit (March 31, 2015 – \$290,000 classified as long-term debt and \$85,018 by way of letters of credit). The Credit Facility matures on August 29, 2018.

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 as defined in the Credit Facility. 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. At March 31, 2016, all of the covenants were met.

The Company has additional credit facilities available of \$12,692 (3,649 Euro, 275,000 Indian Rupees, 50,000 Thai Baht and 1,084 Czech Koruna). The total amount outstanding on these facilities was \$9,396, of which \$2,319 was classified as bank indebtedness (March 31, 2015 – \$1,731) and \$7,077 was classified as long-term debt (March 31, 2015 – \$4,908). The interest rates applicable to the credit facilities range from 1.66% to 10.00% per annum. A portion of the long-term debt is secured by certain assets of the Company. The 275,000 Indian Rupees and the 50,000 Thai Baht credit facilities are secured by letters of credit under the Credit Facility.

(i) BANK INDEBTEDNESS

As at	March 31, 2016	March 31, 2015
Other facilities	\$ 2,319	\$ 1,731

(ii) LONG-TERM DEBT

As at	March 31, 2016	March 31, 2015
Credit Facility	\$ —	\$ 290,000
Senior Notes	324,675	—
Other facilities	7,077	4,908
Issuance costs	(10,373)	(5,382)
	321,379	289,526
Less: current portion	5,259	3,372
	\$ 316,120	\$ 286,154

Scheduled principal repayments and interest payments on long-term debt as at March 31, 2016 are as follows:

	Principal	Interest
Less than one year	\$ 5,259	\$ 21,187
One – two years	487	21,178
Two – three years	428	21,179
Three – four years	452	21,155
Four – five years	249	21,133
Thereafter	314,504	47,502
	\$ 321,379	\$ 153,334

18 Share Capital

Authorized share capital of the Company consists of an unlimited number of common shares, without par value, for unlimited consideration.

On November 4, 2015, the Company announced its intention to implement a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 4,600,000 common shares before November 5, 2016. As at March 31, 2016, the Company had purchased 481,473 common shares for \$6,032 under the NCIB program. All purchases are made in accordance with the bid at prevalent market prices plus brokerage fees, or such other prices that may be permitted by the Toronto Stock Exchange, with consideration allocated to share capital up to the average carrying amount of the shares, and any excess allocated to retained earnings. The weighted average price per share repurchased in the year ended March 31, 2016 was \$12.45.

The changes in the common shares issued, repurchased and outstanding during the period presented were as follows:

	Number of common shares	Share capital
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
Exercise of stock options	1,145,167	11,807
Repurchase of common shares	(481,473)	(2,741)
Balance, at March 31, 2016	92,293,359	\$ 528,184

19 Taxation

(i) 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, 2016	March 31, 2015
Income from continuing operations before income taxes and non-controlling interest	\$ 50,105	\$ 55,060
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	\$ 13,278	\$ 14,591
Increase (decrease) in income taxes resulting from:		
Adjustments in respect to current income tax of previous periods	941	862
Non-taxable income net of non-deductible expenses	(1,166)	1,695
Recognition/use of previously unrecognized assets	(1,502)	(1,797)
Income taxed at different rates and statutory rate changes	(677)	1,368
Manufacturing and processing allowance and all other items	(367)	(557)
At the effective income tax rate of 21.0% (2015 – 29.4%)	\$ 10,507	\$ 16,162
Income tax expense reported in the consolidated statements of income:		
Current tax expense	\$ 10,739	\$ 15,160
Deferred tax expense	(232)	1,002
	\$ 10,507	\$ 16,162
Deferred tax related to items charged or credited directly to equity:		
Net gain (loss) on revaluation of cash flow hedges	\$ (1,391)	\$ 545
Other items recognized through equity	(3,389)	5,032
Income tax charged directly to equity	\$ (4,780)	\$ 5,577

(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, 2016	March 31, 2015
Accounting income not currently taxable	\$ (27,363)	\$ (32,895)
Intangibles	(34,873)	(37,301)
Investment tax credits taxable in future years when utilized	(9,111)	(8,250)
Loss available for offset against future taxable income	7,007	5,258
Property, plant and equipment	(1,546)	2,549
Scientific research and experimental development expenditures available for offset against future taxable income	22,328	26,809
Other	6,352	8,017
Net deferred income tax liability	\$ (37,206)	\$ (35,813)
Presented as:		
Deferred income tax asset	\$ 2,534	\$ 5,057
Deferred income tax liability	(39,740)	(40,870)
Net deferred income tax liability	\$ (37,206)	\$ (35,813)

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

As at	March 31, 2016	March 31, 2015
Deductible temporary differences	\$ 541	\$ 1,732
Loss available for offset against future taxable income	56,173	53,903
	\$ 56,714	\$ 55,635

LOSS CARRYFORWARDS: As at March 31, 2016, the Company has the following net operating loss carryforwards which are scheduled to expire in the following years:

Year of expiry	Non-Canadian	Canadian
2020 – 2024	\$ 4,035	\$ –
2025 – 2029	686	6,233
2030 – 2035	–	43,358
No expiry	21,519	–
	\$ 26,240	\$ 49,591

In addition, the Company has U.S. Federal and State capital loss carryforwards of U.S. \$13,456 (March 31, 2015 – U.S. \$13,456) and Canadian capital loss carryforwards of \$282,720 (March 31, 2015 – \$243,375) which do not expire.

INVESTMENT TAX CREDITS: As at March 31, 2016, the Company has investment tax credits available to be applied against future taxes payable in Canada of approximately \$49,106 and in foreign jurisdictions of approximately \$11,848. The investment tax credits are scheduled to expire as follows:

Year of expiry	Gross ITC balance
2025 – 2029	\$ 23,774
2030 – 2034	22,537
2035 – 2036	14,643
	\$ 60,954

The benefit of \$43,683 (March 31, 2015 – \$33,107) of these investment tax credits have been recognized in the consolidated financial statements. Unrecognized investment tax credits are scheduled to expire between 2028 and 2036.

(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 \$86,350 associated with investments in subsidiaries for which no deferred income tax liability has been recognized.

(vi) There are no income tax consequences attached to the payment of dividends in either 2016 or 2015 by the Company to its shareholders.

20 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, 2016 and March 31, 2015, 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 all or a portion of 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, 2016, the value of the outstanding liability related to the DSUs was \$3,932 (2015 – \$4,632). 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, 2016, there are a total of 2,834,199 common shares remaining for future stock option grants under both plans (March 31, 2015 – 3,491,949).

Years ended March 31	2016		2015	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Stock options outstanding, beginning of year	4,221,283	\$ 10.10	4,421,876	\$ 8.81
Granted	793,500	15.63	684,700	14.68
Exercised ⁽ⁱ⁾	(1,145,167)	7.59	(836,118)	7.08
Forfeited/cancelled	(435,750)	14.28	(49,175)	9.30
Stock options outstanding, end of year	3,433,866	\$ 11.68	4,221,283	\$ 10.10
Stock options exercisable, end of year, time vested options	776,925	\$ 9.88	1,149,000	\$ 7.62
Stock options exercisable, end of year, performance based options	1,305,791	\$ 10.25	1,685,333	\$ 9.89

(i) For the year ended March 31, 2016, the weighted average share price at the date of exercise was \$14.76 (March 31, 2015 – \$14.63).

As at March 31, 2016	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
	\$6.34 to 10.00	867,917	2.74 years	\$ 8.17	776,917	\$ 8.09
	\$10.01 to 12.50	1,123,083	4.18 years	10.61	944,833	10.58
	\$12.51 to 14.00	366,666	4.81 years	13.06	241,666	12.97
	\$14.01 to 15.83	1,076,200	6.00 years	15.28	106,175	14.37
	\$6.34 to 15.83	3,433,866	4.45 years	\$ 11.72	2,069,591	\$ 10.12

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	2016	2015
Weighted average risk-free interest rate	0.90%	1.49%
Dividend yield	0%	0%
Weighted average expected volatility	29%	31%
Weighted average expected life	4.75 years	4.75 years
Number of stock options granted:		
Time vested	793,500	684,700
Weighted average exercise price per option	\$ 15.63	\$ 14.68
Weighted average value per option:		
Time vested	\$ 4.05	\$ 4.22

Share Appreciation Rights: During the year ended March 31, 2016 the Company did not grant any share appreciation rights ("SARs") (none in the year ended March 31, 2015). 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	2016	2015
Weighted average risk-free interest rate	0.49%	0.53%
Dividend yield	0%	0%
Weighted average expected volatility	29%	28%
Weighted average expected life	2.59 years	3.28 years
Weighted average exercise price per SAR	\$ 8.87	\$ 8.87
Weighted average value per SAR	\$ 2.58	\$ 5.41

The Company has recorded a liability of \$200 as at March 31, 2016 (March 31, 2015 – \$302) based on the fair value of the SARs. The market value of a common share of the Company as at March 31, 2016 was \$10.59 (March 31, 2015 – \$13.58). During the year ended March 31, 2016, 39,375 SARs vested (539,375 in the year ended March 31, 2015).

RESTRICTED SHARE UNIT PLAN: During the year ended March 31, 2016, the Company granted 89,250 time vesting restricted share units ("RSUs") (82,140 in the year ended March 31, 2015). 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, 2016, the Company granted 103,000 performance-based RSUs (85,677 in the year ended March 31, 2015). 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 RSU 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, 2016, the value of the outstanding liability related to the RSU plan was \$1,572 (March 31, 2015 – \$2,223).

21 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	\$ 10,080	\$ 91,453
One – two years	7,995	577
Two – three years	6,868	145
Three – four years	6,053	145
Four – five years	5,609	36
Due in over five years	4,473	—
	\$ 41,078	\$ 92,356

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 commitments for materials purchases.

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 letters of credit as security for advances received from customers pending delivery and contract performance. In addition, the Company provides letters of credit for post-retirement obligations and may provide letters of credit as security on equipment under lease and on order. As at March 31, 2016, the total value of outstanding letters of credit was approximately \$136,991 (March 31, 2015 – \$117,989).

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.

22 Segmented Disclosure

The Company's 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	Property, plant and equipment	Intangible assets
Canada	\$ 23,087	\$ 9,000
United States	17,434	25,703
Germany	26,192	141,730
China	1,082	54
Other Europe	712	312
Asia-Pacific and other	2,553	266
Total Company	\$ 71,060	\$ 177,065

As at	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

Revenues from external customers for the years ended	March 31, 2016	March 31, 2015
Canada	\$ 76,498	\$ 58,414
United States and Mexico	380,455	392,039
Germany	204,292	164,966
China	105,895	85,557
Other Europe	189,800	165,091
Asia-Pacific and other	82,700	70,010
Total Company	\$ 1,039,640	\$ 936,077

For the years ended March 31, 2016 and March 31, 2015, the Company did not have revenues from any single customer which amounted to 10% or more of total consolidated revenues.

23 Net Finance Costs

Years ended	March 31, 2016	March 31, 2015
Interest expense	\$ 26,835	\$ 12,080
Interest income	(183)	(149)
	\$ 26,652	\$ 11,931

24 Earnings Per Share

Years ended	March 31, 2016	March 31, 2015
Weighted average number of common shares outstanding	92,184,870	91,164,938
Dilutive effect of stock option conversion	478,441	1,145,338
Diluted weighted average number of common shares outstanding	92,663,311	92,310,276

For the year ended March 31, 2016, stock options to purchase 1,276,200 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 (834,700 common shares were excluded for the year ended March 31, 2015).

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, 2016 and March 31, 2015, 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, 2016	March 31, 2015
Equity excluding accumulated other comprehensive income	\$ 582,234	\$ 537,298
Long-term debt	321,379	289,526
Bank indebtedness	2,319	1,731
Cash and cash equivalents	(170,034)	(106,052)
Capital under management	\$ 735,898	\$ 722,503
Debt to equity ratio	0.56:1	0.54:1

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 U.S. \$500. 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 and key management personnel is determined by the Board of Directors on recommendation from the Human Resources Committee of the Board:

As at	March 31, 2016	March 31, 2015
Salaries and benefits	\$ 1,927	\$ 2,599
Other non-equity incentive compensation	1,126	4,098
Fees	655	414
Stock-based compensation	593	1,918
Post-retirement benefits	986	986
Executive transition expenses ⁽ⁱ⁾	7,065	—
Total remuneration	\$ 12,352	\$ 10,015

(i) In March 2016, the Company announced that Anthony Caputo, the Chief Executive Officer of the Company, will be leaving the Company in February 2017. In connection with this, the CEO and the Company have entered into a transition agreement in accordance with which the CEO will receive a lump sum payment estimated at \$4,976, which encompasses bonus entitlement for fiscal 2017, and a portion of which is subject to change based on the date the transition is completed, and the Company will incur \$2,089 of post-employment benefit expenses related to an additional two years of credited service towards the CEO's pension entitlement.

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

Shareholder Information

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Investor Relations Contact

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Stock Exchange Listing

Toronto Stock Exchange "ATA"

Registrar and Transfer Agent

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

Website

www.atsautomation.com

Shareholders' Annual Meeting

Thursday, August 18, 2016
10:00 a.m. Eastern
TMX Broadcast Centre
The Exchange Tower
130 King Street West
Toronto, Ontario

Senior Management

Anthony Caputo
Chief Executive Officer

Maria Perrella
Chief Financial Officer

Charles Gyles
Corporate Vice-President, Organizational Effectiveness

Ronald Keyser
Chief Information Officer

Stewart McCuaig
Corporate Vice-President, General Council

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 Varsity, 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 Varsity Corporation (previously Massey-Ferguson Ltd.). He has served as a director of Lucas Varsity, and WHX Corp. At present Mr. Arnold is a Trustee of Pembroke College Foundation of North America Inc. and a Trustee of The Summit Center Foundation, Inc., both charitable organizations. 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 from New York University's Stern School of Business.

David McAusland ⁽³⁾

Mr. McAusland, the Chairman of the Board of Directors, is a senior corporate advisor and lawyer and highly experienced corporate director. Mr. McAusland is a partner in the law firm McCarthy Tétrault and was previously 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., and Khan Resources Inc. Mr. McAusland is also involved with several not-for-profit organizations and private companies: he is the Chairman of the Montreal General Hospital Foundation, Chairman of the National Circus School Foundation, Chairman of Montrusco Bolton Investments Inc. and a director of Ciment McInnis Inc. Mr. McAusland received his B.C.L. in 1976 and his LL.B. in 1977, both from McGill University.

Gordon 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 has over 25 years of experience in the financial industry. Currently, he is working at Ardea Partners, a financial advisory firm, which he co-founded in 2016. From 2011 through March of 2016, Mr. Ross was a research analyst at Mason Capital Management. 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 Inc., 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.

