



*For Immediate Release*

### **Photowatt France Engages Works Council Regarding Bankruptcy Proceedings**

Cambridge, Ontario (November 4, 2011): ATS Automation Tooling Systems Inc. (TSX: ATA) (“ATS” or the “Company”) today announced that, as required under French Law, its Photowatt International S.A.S subsidiary in Bourgoin-Jallieu, France (“PWF”) has initiated an information/consultation process with its employee works council regarding the filing of an application with French Courts for the opening of bankruptcy proceedings with a view to asking for the protection of the bankruptcy Courts. PWF expects to pursue a “recovery” proceeding (“redressement judiciaire”) under the supervision of a court appointed trustee. The objective of such a recovery process is to explore opportunities for PWF’s operations in an effort to preserve jobs and maximize value.

For over a year ATS has considered a broad range of options for the separation of its solar business from its automation business, including a process involving a spinoff of the Company’s combined solar businesses or a sale of PWF and/or Photowatt Ontario (“PWO”). The sale process for PWF recently concluded without producing an acceptable transaction. The deterioration of economic conditions and the solar market in Europe (and in particular increased Asian competition and lower demand for solar products in France), have severely impacted PWF. The Company re-examined the spinoff alternative and has concluded it is not viable. Other options in relation to PWF have been exhausted and given the aforementioned conditions, taking steps towards a bankruptcy filing has become necessary.

“Having explored all separation avenues, ATS will support PWF and its employees through a potential recovery process,” said Anthony Caputo, ATS Chief Executive Officer. “We plan to separate the PWO solar assets within the next six months. Looking forward, in terms of creating value, we have a solid core business, we are growing organically and through acquisition and are positioned to continue to execute our strategy.”

In order to support PWF and its employees, ATS intends to offer funding for three months during a recovery period. ATS notes that the French bankruptcy process is different from the North American process, and requires a more collaborative approach. ATS has identified a number of matters that will be given due consideration throughout the course of the process, and which could give rise to additional expenditures. The

Company is engaged with experienced external advisors, who have significant subject matter expertise, to assist with this process.

ATS remains committed to the separation of its entire solar business from its core automation business. To complete this goal, ATS is advancing opportunities related to the other solar assets. These opportunities are expected to positively impact cash during the next six months. Specifically,

- ATS is initiating a formal sale process for Photowatt Ontario.
- ATS has received a non-binding letter of intent for the purchase of an ATS-owned building in France that formerly housed PWF module assembly.

Management expects that, if completed, the proceeds from these opportunities will offset the go-forward losses and cash outflows that will result from the bankruptcy process. Since April 1, 2011 the solar business of ATS has been reported as Discontinued Operations.

For the second quarter of fiscal 2012, ATS expects to record impairment charges and write-offs totalling \$64 million related to PWF operations, including the previously announced \$24 million of charges related to the termination of certain silicon and wafer supply agreements and other charges related to inventories, silicon deposits, and other PWF assets. This charge does not include the go-forward losses and cash outflows referred to above.

In fiscal 2011, ATS's continuing Automation Systems Group ("ASG") operations recorded revenues of \$485.3 million and net income from continuing operations of \$27.9 million. Revenues and net income in the first quarter of fiscal 2012 were \$126.9 million and \$6.2 million, respectively, and Order Backlog entering the second quarter of fiscal 2012 was \$328 million.

### **About ATS**

ATS Automation provides innovative, custom designed, built and installed manufacturing solutions to many of the world's most successful companies. Founded in 1978, ATS uses its industry-leading knowledge and global capabilities to serve the sophisticated automation systems' needs of multinational customers in industries such as life sciences, computer/electronics, energy, transportation and consumer products. It also leverages its many years of experience and skills to fulfill the specialized automation product manufacturing requirements of customers. Through Photowatt, ATS participates in the solar energy industry. ATS employs approximately 2,900 people at 21 manufacturing facilities in Canada, the United States, Europe, Southeast Asia and China. The Company's shares are traded on the Toronto Stock Exchange under the symbol ATA. Visit the Company's website at [www.atsautomation.com](http://www.atsautomation.com).

## **Note to Readers: Forward-Looking Statements**

This press release contains certain statements that 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's 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, Photowatt France initiating an information/consultation process with its employee works council regarding the filing of an application with French Courts for the opening of bankruptcy proceedings with a view to asking for the protection of the bankruptcy Courts; PWF expecting to pursue recovery proceedings; the objective of a recovery process; ATS's support of PWF and its employees through a potential recovery process; separation of PWO and timing thereof; ATS positioned to continue to execute its strategy; ATS's intention to offer funding to PWF for three months during a recovery period; potential for additional expenditures to be incurred by ATS throughout the PWF bankruptcy process; expected positive impact of opportunities related to other solar assets; sale process for PWO; potential sale of the ATS-owned building in France; management expectation that, if completed, the proceeds from sale of other solar assets will offset the go-forward losses and cash outflows that will result from the bankruptcy process; and expectation to record impairment charges and the amount thereof. The risks and uncertainties that may affect forward-looking statements include, among others, general market performance including capital market conditions and availability of credit; impact of the global economy; performance of the market sectors that ATS serves; conditions in the solar market and the extent of market demand for solar products; the level of solar module and system orders obtained by Photowatt France; that advice from the employee works council is delayed; that, in response to the application, the French bankruptcy court declines to open, or there is a delay in the opening of, bankruptcy proceedings, that the French bankruptcy court elects a proceeding other than recovery; that a recovery process fails to achieve the desired results with respect to preservation of jobs and maximization of value due to lack of interested parties or otherwise; that a sale process for PWO fails to generate an acceptable transaction due to market, regulatory, or other factors; unexpected delays and issues, on the timing, form and structure of the contemplated separation; the availability and possible reduction or elimination of government subsidies and incentives for solar products in various jurisdictions, including France and Ontario; the financial attractiveness of, and demand for, the solar projects being developed by PWO; the success of developers with whom PWO has signed agreements in obtaining FIT contracts and ultimately developing the projects; ability to obtain necessary government

and other certifications and approvals for solar projects in a timely fashion; that one or both of the customer agreements signed by PWO is terminated or impaired as a result of a cancellation or material change in the FIT program in Ontario, and, as a result contemplated minimum amounts to be supplied are not supplied with resulting impacts on revenue and profitability; supplier, customer, employee, government and media reaction to bankruptcy proceedings; labour disruptions; that expenditures associated with the bankruptcy exceed current estimates or proceeds from sale of other assets are less than currently expected; that the current LOI for the sale of the building in France does not result in a definitive agreement; risks relating to legal proceedings to which ATS is or may become a party; and other risks detailed from time to time in ATS's filings with Canadian provincial securities regulators. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and ATS does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.

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