Interim Consolidated Financial Statements

(Unaudited)

September 30, 2008

ATS AUTOMATION TOOLING SYSTEMS INC.
Consolidated Balance Sheets
(in thousands of dollars – unaudited)

	September 30 2008	March 31 2008
ASSETS		
Current assets		
Cash and short-term investments	**$ 70,478**	$ 56,785
Accounts receivable	**130,992**	126,052
Investment tax credits	**15,664**	13,712
Costs and earnings in excess of billings on contracts in progress	**93,970**	79,478
Inventories (note 4)	**106,636**	93,751
Future income taxes	**4,463**	1,604
Deposits and prepaid assets (note 6)	**17,939**	15,794
Assets held for sale (note 5)	**7,668**	12,156
	447,810	399,332
Property, plant and equipment	**179,166**	186,054
Goodwill	**35,380**	35,342
Intangible assets	**611**	225
Future income taxes	**3,108**	2,117
Deferred development costs	**1,494**	1,940
Assets held for sale (note 5)	**2,103**	14,190
Portfolio investments	**3,443**	4,927
Silicon and other deposits	**31,410**	33,888
	$ 704,525	$ 678,015
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness (note 10)	**$ 11,090**	$ 28,754
Accounts payable and accrued liabilities	**165,065**	149,169
Billings in excess of costs and earnings on contracts in progress	**38,957**	26,101
Future income taxes	**16,618**	15,343
Current liabilities associated with assets held for sale (note 5)	**4,774**	9,223
	236,504	228,590
Long-term debt (note 10)	**8,572**	—
Other long-term liabilities	**235**	235
Shareholders' equity		
Share capital (note 11)	**432,756**	432,825
Contributed surplus	**7,661**	6,370
Accumulated other comprehensive loss (note 13)	**(20,075)**	(6,675)
Retained earnings	**38,872**	16,670
	459,214	449,190
	$ 704,525	$ 678,015

See accompanying notes to interim consolidated financial statements

ATS AUTOMATION TOOLING SYSTEMS INC.
Consolidated Statements of Operations
(in thousands of dollars, except per share amounts – unaudited)

	Three months ended		Six months ended	
	September 30 2008	September 30 2007	**September 30 2008**	September 30 2007
Revenue	**$ 219,536**	$ 146,931	**$ 431,607**	$ 302,338
Operating costs and expenses				
Cost of revenue	**180,226**	132,833	**353,255**	267,102
Amortization	**6,061**	5,329	**11,882**	10,834
Selling, general and administrative	**19,051**	24,230	**40,444**	46,058
Stock-based compensation (note 7)	**635**	1,452	**1,379**	2,040
Gain on sale of silicon	**––**	—	**(2,006)**	—
Gain on sale of building (note 5)	**––**	—	**(3,188)**	—
Earnings (loss) from operations	**13,563**	(16,913)	**29,841**	(23,696)
Other expenses (income)				
Interest on long-term debt	**136**	237	**148**	1,037
Other interest	**258**	414	**(240)**	124
	394	651	**(92)**	1,161
Income (loss) from continuing operations before income taxes and non-controlling interest	**13,169**	(17,564)	**29,933**	(24,857)
Provision for (recovery of) income taxes (note 15)	**481**	(2,086)	**2,254**	(2,336)
Non-controlling interest in earnings of subsidiaries	**––**	14	**––**	29
Net income (loss) from continuing operations	**12,688**	(15,492)	**27,679**	(22,550)
Loss from discontinued operations, net of tax (note 5)	**(3,416)**	(3,271)	**(5,477)**	(5,150)
Net income (loss)	**$ 9,272**	$ (18,763)	**$ 22,202**	$ (27,700)
Earnings (loss) per share (note 8)				
Basic and diluted - from continuing operations	**$ 0.16**	$ (0.23)	**$ 0.36**	$ (0.35)
Basic and diluted - from discontinued operations	**(0.04)**	(0.05)	**(0.07)**	(0.09)
	$ 0.12	$ (0.28)	**$ 0.29**	$ (0.44)

See accompanying notes to interim consolidated financial statements

ATS AUTOMATION TOOLING SYSTEMS INC.
Consolidated Statements of Shareholders' Equity and Other Comprehensive Income (Loss)

(in thousands of dollars – unaudited)

Six months ended					**September 30, 2008**
	Share Capital	**Contributed Surplus**	**Accumulated Other Comprehensive Income (Loss)**	**Retained Earnings**	**Total Shareholders' Equity**
Balance, beginning of period	**$ 432,825**	**$ 6,370**	**$ (6,675)**	**$ 16,670**	**$ 449,190**
Comprehensive loss					
Net income	––	––	––	**22,202**	**22,202**
Currency translation adjustment	––	––	**(12,050)**	––	**(12,050)**
Net unrealized loss on available for-sale financial assets	––	––	**(1,178)**	––	**(1,178)**
Net unrealized gain on derivative financial instruments designated as cash flow hedges	––	––	**116**	––	**116**
Amount transferred to net income for derivatives designated as cash flow hedges	––	––	**(288)**	––	**(288)**
Total comprehensive income					**8,802**
Stock-based compensation (note 7)	––	**1,291**	––	––	**1,291**
Costs related to shares issued for rights offering (note 11)	**(69)**	––	––	––	**(69)**
Balance, end of the period	**$ 432,756**	**$ 7,661**	**$ (20,075)**	**$ 38,872**	**$ 459,214**

Six months ended					September 30, 2007
	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
Balance, beginning of period	$ 327,560	$ 3,193	$ (9,422)	$ 40,048	$ 361,379
Transitional adjustment on adoption of new standards	—	—	20,534	45	20,579
Balance beginning of period, as restated	327,560	3,193	11,112	40,093	381,958
Comprehensive loss					
Net loss	—	—	—	(27,700)	(27,700)
Currency translation adjustment	—	—	(25,328)	—	(25,328)
Net unrealized loss on available for-sale financial assets	—	—	(5,008)	—	(5,008)
Net unrealized gain on derivative financial instruments designated as cash flow hedges	—	—	7,054	—	7,054
Amount transferred to net loss for derivatives designated as cash flow hedges	—	—	(776)	—	(776)
Total comprehensive loss					(51,758)
Stock-based compensation (note 7)	—	1,789	—	—	1,789
Shares issued during the period for Cash on rights offering, net (note 11)	102,522	—	—	—	102,522
Balance, end of the period	$ 430,082	$ 4,982	$ (12,946)	$ 12,393	$ 434,511

See accompanying notes to interim consolidated financial statements

ATS AUTOMATION TOOLING SYSTEMS INC.
Consolidated Statements of Cash Flows
(in thousands of dollars – unaudited)

	Three months ended		Six months ended	
	September 30 2008	September 30 2007	**September 30 2008**	September 30 2007
Operating activities:				
Net income (loss)	**$ 9,272**	$ (18,763)	**$ 22,202**	$ (27,700)
Items not involving cash				
Amortization	**6,061**	5,329	**11,882**	10,834
Future income taxes	**(3,085)**	(2,490)	**(2,575)**	(2,695)
Other items not involving cash	**383**	1,580	**745**	1,261
Stock-based compensation	**635**	1,452	**1,379**	2,040
(Gain) loss on disposal of property, plant and equipment	**182**	—	**(2,972)**	—
Non-cash discontinued operations	—	1,604	—	3,281
Cash flow from operations	**13,448**	(11,288)	**30,661**	(12,979)
Change in non-cash operating working capital	**13,391**	(2,968)	**(8,531)**	(18,942)
Cash flows provided by (used in) operating activities	**26,839**	(14,256)	**22,130**	(31,921)
Investing activities:				
Acquisition of property, plant and equipment	**(5,842)**	(3,600)	**(12,839)**	(11,378)
Acquisition of intangible assets	**––**	—	**(500)**	—
Restricted cash	**––**	(3,050)	—	(3,050)
Investments and other	**608**	(12,547)	**508**	(20,237)
Proceeds from disposal of assets	**22**	28	**16,025**	44
Cash flows provided by (used in) investing activities	**(5,212)**	(19,169)	**3,194**	(34,621)
Financing activities:				
Bank indebtedness	**822**	(26,594)	**(18,367)**	13,894
Share issue costs (note 11)	**––**	(7,688)	**(69)**	(7,688)
Proceeds from long-term debt (note 10)	**––**	40,000	**10,787**	60,000
Repayment of long-term debt (note 10)	**(2,399)**	(426)	**(2,399)**	(28,361)
Issuance of common shares (note 11)	**––**	110,210	—	110,210
Cash flows provided by (used in) financing activities	**(1,577)**	115,502	**(10,048)**	148,055
Effect of exchange rate changes on cash and short-term investments	**(1,501)**	(924)	**(1,583)**	(4,804)
Increase in cash and short-term investments	**18,549**	81,153	**13,693**	76,709
Cash and short-term investments, beginning of period	**51,929**	21,124	**56,785**	25,568
Cash and short-term investments, end of period	**$ 70,478**	$ 102,277	**$ 70,478**	$ 102,277
Supplementary information				
Cash income taxes paid	**$ 163**	$ 147	**$ 175**	$ 1,391
Cash interest paid	**$ 213**	$ 1,880	**$ 419**	$ 3,715

See accompanying notes to interim consolidated financial statements

ATS AUTOMATION TOOLING SYSTEMS INC.

Notes to Interim Consolidated Financial Statements

(in thousands of dollars, except per share amounts – unaudited)

1. Significant accounting policies:

(i) The accompanying interim consolidated financial statements of ATS Automation Tooling Systems Inc. and its subsidiaries (collectively "ATS" or the "Company") have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and the accounting policies and method of their application are consistent with those described in the annual consolidated financial statements for the year ended March 31, 2008 except for the adoption of the new accounting standards included in note 2 herein. The interim consolidated financial statements presented in this interim report do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended March 31, 2008. Certain figures for the previous year have been reclassified to conform with the current year's interim consolidated financial statement presentation and to reflect discontinued operations.

(ii) The preparation of these interim consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates and assumptions are used when accounting for items such as impairment of long-lived assets, recoverability of deferred development costs, fair value of reporting units and goodwill, fair value of assets held for sale, warranties, income taxes, future tax assets, determination of estimated useful lives of intangible assets and property, plant and equipment, impairment of portfolio investments, contracts in progress, inventory provisions, revenue recognition, contingent liabilities, and allowances for accounts receivable.

2. Changes in accounting policies:

Effective April 1, 2008, the Company prospectively adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031 "Inventories" with no restatement of prior periods. There was no material impact on the interim consolidated financial statements. See note 4 to the interim consolidated financial statements.

3. Future accounting changes:

CICA Handbook Section 3064 "Goodwill and Intangible Assets" establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to initial recognition and provides guidance on the recognition and measurement of internally developed intangible assets. This standard is effective for interim and annual financial statements for the Company's reporting period beginning on April 1, 2009. The Company is currently evaluating the impact of adoption of this new section.

The CICA's Accounting Standards Board has announced that Canadian publicly accountable enterprises will adopt International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board effective January 1, 2011. IFRS will require increased financial statement disclosures. Although IFRS uses a conceptual framework similar to Canadain GAAP, differences in accounting policies will need to be addressed. The Company has commenced its IFRS conversion project. The project consists of four phases: diagnostic, design and planning, solution development and implementation. During the second quarter, the Company initiated the diagnostic phase and expects to complete this phase in the fourth quarter of fiscal 2009.

(in thousands of dollars, except per share amounts – unaudited)

4. Inventories:

Inventories are valued at the lower of cost on a first in, first out basis and net realizable value. Cost of raw materials includes purchase cost and cost incurred in bringing each product to its present location and condition. Cost of work-in-progress includes cost of direct materials, labour and an allocation of manufacturing overheads, excluding borrowing costs, based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make the sale.

	September 30 2008	March 31 2008
Inventories are summarized as follows:		
Raw materials	**$ 68,608**	$ 61,905
Work in process	**14,332**	15,296
Finished goods	**23,696**	16,550
	$ 106,636	$ 93,751

The amount of inventory recognized as an expense and included in cost of revenue accounted for other than by the percentage-of-completion method during the three and six months ended September 30, 2008 was $72,594,and $128,705 respectively (three and six months ended September 30, 2007: $29,769 and $62,979 respectively). The amount charged to net income and included in cost of revenue for the write-down of inventory for valuation issues during the three and six months ended September 30, 2008 was $1,202 and $1,783 respectively (three and six months ended September 30, 2007: $1,792 and $3,677 respectively). The amount recognized in net income and included in cost of revenue for the reversal of previous inventory write-downs due to rising prices during both the three and six months ended September 30, 2008 was $181 (three and six months ended September 30 2007: nil).

5. Discontinued operations and assets held for sale:

(i) During the year ended March 31, 2008, the Company committed to a plan to sell the key operating assets and liabilities, including equipment, current assets excluding cash, trade accounts payable and certain other assets and liabilities of its Precision Components Group. Accordingly, the results of operations and financial position of the Precision Components Group have been segregated and presented separately as discontinued operations in the consolidated financial statements. The results of the discontinued operations are as follows:

	Three months ended		**Six months ended**	
	September 30 2008	September 30 2007	**September 30 2008**	September 30 2007
Revenue	**$ 7,366**	$ 16,408	**$ 19,549**	$ 35,802
Loss from discontinued operations, net of tax	**$ (3,416)**	$ (3,271)	**$ (5,477)**	$ (5,150)

(ii) During the three months ended June 30, 2008, the Company sold the land and building related to its Spheral Solar development project which was halted in early fiscal 2008. The land and building were sold for net proceeds of $16,000 and a gain of $3,188 before and after tax. The land and building were held for sale at the end of fiscal 2008.

(iii) During the year ended March 31, 2008, the Company committed to a plan to sell land and one of two buildings related to its Automation Systems Group Ohio division. The land and building are ready for sale and management expects to sell them within one year. Accordingly, these assets have been classifed as held for sale.

(in thousands of dollars, except per share amounts – unaudited)

6. Deposits and prepaid assets:

	September 30 2008	March 31 2008
Prepaid assets	**$ 3,633**	$ 4,611
Silicon and other deposits	**12,457**	9,530
Forward contracts and other	**1,849**	1,653
	$ 17,939	$ 15,794

7. Stock-based compensation:

In the calculation of the stock-based compensation expense in the interim consolidated statements of operations, the fair values of the Company's stock option grants were estimated using the Black-Scholes option pricing model for time vesting stock options and binomial option pricing models for performance based stock options.

During the six months ended September 30, 2008 the Company granted 375,000 options (1,059,500 in the six months ended September 30, 2007). The options granted vest over 4 years from the date of issue. The fair value of options issued in the six month period ended September 30, 2008 were estimated at the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Six months ended	
	September 30 2008	September 30 2007
Weighted average risk-free interest rate	**3.24%**	4.00%
Dividend yield	**0%**	0%
Weighted average expected life	**4.0 years**	5.0 years
Expected volatility	**45%**	41%
Number of time vested stock options granted	**375,000**	1,059,500
Weighted average exercise price per option	**$ 7.80**	$ 5.95
Weighted average value per time vested option	**$ 3.03**	$ 2.49

During the six months ended September 30, 2008 and 2007, no performance based options were granted. Performance based options vest based on ATS stock trading at or above certain thresholds for a minimum specified number of trading days in a fiscal quarter. These performance options expire on the seventh anniversary of either the date that the options vest or the date of the grant. During the six months ended September 30, 2008 no performance based options vested. During the six months ended September 30, 2007 certain performance options vested as a result of accelerated vesting provisions on the resignation of certain officers of the Company.

(in thousands of dollars, except per share amounts – unaudited)

8. Earnings (loss) per share:

Weighted average number of shares used in the computation of earnings (loss) per share is as follows:

	Three months ended		Six months ended	
	September 30 2008	September 30 2007	**September 30 2008**	September 30 2007
Basic	**77,277,155**	67,815,484	**77,277,155**	63,562,373
Diluted	**77,875,870**	67,815,484	**77,861,872**	63,562,373

During the year ended March 31, 2008, the Company executed a rights offering as described in note 11. The exercise price of the rights offering was less than the fair market value of the common shares at issuance of the rights. Accordingly, it contained a bonus element that is similar to a stock dividend. In accordance with the recommendations of CICA Handbook Section 3500, "Earnings Per Share", the weighted average common shares for the six months ended September 30, 2007 have been retrospectively increased by 489,000 to reflect the bonus element.

For the three and six months ended September 30, 2008, stock options to purchase 4,090,458 and 3,905,786 common shares respectively are excluded from the weighted average common shares in the calculation of diluted earnings per share as they are anti-dilutive (all stock options were excluded in 2008).

9. Segmented disclosure:

The Company evaluates performance based on two reportable segments: Automation Systems Group and Photowatt Technologies. The Automation Systems Group segment produces custom-engineered turn-key automated manufacturing systems. The Photowatt Technologies segment is a high volume manufacturer of photovoltaic products and also includes the Company's investment in Spheral Solar™. As disclosed in note 5 to the interim consolidated financial statements, the Company has reported its Precision Components Group, which is held for sale, in discontinued operations.

The Company accounts for inter-segment revenue at current market rates, negotiated between the segments.

	Three months ended		Six months ended	
	September 30 2008	September 30 2007	**September 30 2008**	September 30 2007
Revenue				
Automation Systems Group	**$ 147,418**	$ 109,067	**$ 290,153**	$ 216,851
Photowatt Technologies	**72,532**	37,912	**141,869**	85,601
Elimination of inter-segment revenue	**(414)**	(48)	**(415)**	(114)
Consolidated	**$ 219,536**	$ 146,931	**$ 431,607**	$ 302,338
Earnings (loss) from operations				
Automation Systems Group	**$ 13,940**	$ 2,393	**$ 24,242**	$ 2,968
Photowatt Technologies	**5,582**	(8,886)	**16,095**	(11,332)
Inter-segment elimination and corporate Expenses	**(5,959)**	(10,420)	**(10,496)**	(15,332)
Consolidated	**$ 13,563**	$ (16,913)	**$ 29,841**	$ (23,696)

(in thousands of dollars, except per share amounts – unaudited)

10. Long-term debt and financial resources:

Effective June 2008, the Company established a new long-term primary credit facility (the "Credit Agreement") with total credit facilities of up to $85,000, comprised of an operating credit facility of $40,000 which, after the Company has met certain conditions, shall increase by $5,000 monthly increments up to $65,000, and a letter of credit facility of up to $20,000 for certain purposes. The operating credit facility is subject to restrictions regarding the extent to which the outstanding funds advanced under the facility can be used to fund certain subsidiaries of the Company. The Credit Agreement, which is secured by security on the assets, including real estate, of the Company's North American legal entities and a pledge of shares and guarantees from certain of the Company's legal entities, is repayable in full on October 31, 2009.

The operating credit facility is available in Canadian dollars by way of prime rate advances, letter of credit for certain purposes and/or bankers' acceptances and in U.S. dollars by way of base rate advances and/or LIBOR advances. The interest rates applicable to the operating credit facility are determined based on certain financial ratios. 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 1.25% to 2.25%. For bankers' acceptances and LIBOR advances, the interest rate is equal to the bankers' acceptance fee or the LIBOR, respectively, plus 2.25% to 3.25%.

Under the Credit Agreement, the Company shall pay a standby fee on the unadvanced portions of the amounts available for advance or draw-down under the credit facilities at a rate of 0.5% per annum.

The Credit Agreement is subject to a debt leverage test, a current ratio test, and a cumulative EBITDA test. Under the terms of the Credit Agreement, the Company is restricted from encumbering any assets with certain permitted exceptions. The Credit Agreement also restricts the payment of dividends and the disposition of certain assets. The Company is in compliance with these covenants and restrictions.

The Company also has secondary credit facilities comprised of outstanding amounts under short term unsecured credit facilities available in Euro totaling 16,000 Euro.

The following amounts were outstanding:

	September 30 2008	March 31 2008
Bank indebtedness:		
Primary credit facility	**$ ––**	$ 8,478
Other facilities	**11,090**	20,276
	$ 11,090	$ 28,754
Long-term debt:		
Primary credit facility	**$ 8,572**	$ —

11. Rights Offering:

During the year ended March 31, 2008, the Company completed a rights offering, raising gross proceeds of $110,210 (net proceeds of $102,453). The rights offering provided existing common shareholders with rights to subscribe for additional common shares in ATS. Each shareholder of record of the Company on July 19, 2007 received one right for each common share held. For every 3.35 rights held, the holder was entitled to purchase one common share at the subscription price of $6.23 until August 14, 2007. ATS received subscriptions of 16,011,247 common shares. Under the Additional Subscription Privilege, 1,678,903 shares were purchased.

(in thousands of dollars, except per share amounts – unaudited)

12. Financial instruments:

Change in fair value of financial instruments

Derivatives that are not designated in hedging relationships are classified as held-for-trading and the changes in fair value are recognized in the interim consolidated statements of operations. During the three and six months ended September 30, 2008, the fair value of financial assets classified as held-for-trading increased by $649 and $771 respectively (decreased by $371 and increased by $1,285 during the three and six months ended September 30, 2007) and the fair value of financial liabilities classified as held-for-trading decreased by $722 and $830 respectively (decreased by $104 and $415 during the three and six months ended September 30, 2007).

Cash flow hedges

During the three and six months ended September 30, 2008, an unrealized gain of $78 and $101 was recognized in selling, general and administrative expense for the ineffective portion of cash flow hedges (unrealized loss of $nil and $45 during the three and six months ended September 30, 2007). After-tax unrealized losses of $268 included in accumulated other comprehensive loss at September 30, 2008 are expected to be reclassified to earnings over the next 12 months when the revenue is recorded (unrealized gains of $5,703 at September 30, 2007).

13. Accumulated other comprehensive loss:

The components of accumulated other comprehensive loss are as follows:

	September 30 2008	March 31 2008
Accumulated currency translation adjustment	**$ (18,829)**	$ (6,779)
Accumulated unrealized loss on available-for-sale financial assets	**(978)**	200
Accumulated unrealized net loss on derivative financial instruments designated as cash flow hedges	**(268)**	(96)
Accumulated other comprehensive loss	**$ (20,075)**	$ (6,675)

(in thousands of dollars, except per share amounts – unaudited)

14. Investment in Joint Venture:

During the year ended March 31, 2008, Photowatt International S.A.S., EDF ENR Reparties and CEA Valorisation entered into an agreement to establish a joint venture. The joint venture became effective in October 2007 with contributions of cash by the venturers.

This is a jointly-controlled enterprise and accordingly, the Company proportionately consolidates its 40% share of assets, liabilities, revenues and expenses in the interim consolidated financial statements.

The following is a summary of the Company's proportionate share of the joint venture:

	September 30 2008	September 30 2007
Balance Sheet		
Current assets	**$ 446**	$ —
Property and equipment	**2**	—
Current liabilities	**(263)**	—
Net assets	**$ 185**	$ —

Six months ended	**September 30 2008**	September 30 2007
Statement of Operations		
Operating expenses and net loss	**$ (375)**	$ —

The CEO of Photowatt International S.A.S. is also the President of PV Alliance in which the Company has a 40% investment interest.

15. Income taxes:

For the three and six months ended September 30, 2008, the Company's effective income tax rate differs from the combined Canadian basic federal and provincial income tax rate of 33.5% (2008 – 36.1%) primarily as a result of the utilization of unrecognized loss carryforwards in Canada and parts of Europe. In the three and six months ended September 30, 2007, the Company's effective income tax rate differed from the combined Canadian basic federal and provincial income tax rate primarily as a result of losses incurred in Canada and Europe, the benefit of which was not recognized for financial statement reporting purposes.

16. Cyclical nature of the business:

Interim financial results are not necessarily indicative of annual or longer term results because many of the individual markets served by the Company tend to be cyclical in nature. General economic trends, product life cycles and product changes may impact Automation Systems Group order bookings, Photowatt Technologies volumes, and the Company's earnings in any of its markets. ATS typically experiences some seasonality with its revenue and earnings due to summer plant shutdowns by its customers and summer shutdown at Photowatt France. Accordingly, revenue during the second quarter is usually lower than in the first, third and fourth quarters. In Photowatt Technologies, slower sales may occur in the winter months, when the weather may impair the ability to install its products in certain geographical areas.