AUTOMATION

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Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") for the three and nine months ended January 1, 2012 (third quarter of fiscal 2012) is as of February 7, 2012 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 unaudited interim consolidated financial statements of the Company for the third quarter of fiscal 2012. The interim consolidated financial statements for the three and nine months ended January 1, 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. The Company assumes that the reader of this MD&A has access to, and has read the audited consolidated financial statements prepared in accordance with Canadian GAAP and MD&A of the Company for the year ended March 31, 2011 (fiscal 2011). Accordingly, the purpose of this document is to provide a third quarter update to the information contained in the fiscal 2011 MD&A. These documents and other information relating to the Company, including the Company's fiscal 2011 audited consolidated financial statements, MD&A and annual information form may be found on SEDAR at www.sedar.com.

Notice to Reader: Non-IFRS Measures

Throughout this document the term "operating earnings" is used to denote earnings (loss) from operations. EBITDA is also used and is defined as earnings (loss) from operations excluding depreciation and amortization (which includes amortization of intangible assets). The term "margin" refers to an amount as a percentage of revenue. The terms "earnings (loss) from operations", "operating earnings", "margin", "operating loss", "operating results", "operating margin", "EBITDA", "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. Operating earnings and EBITDA are some of the measures the Company uses to evaluate the performance of its segments. Management believes that ATS shareholders and potential investors in ATS use non-IFRS financial measures such as operating earnings and EBITDA in making investment decisions and measuring operational results. A reconciliation of operating earnings and EBITDA to net income from continuing operations for the three and nine month periods ending January 1, 2012 and December 26, 2010 is contained in this MD&A (See "Reconciliation of EBITDA to IFRS Measures"). EBITDA should not be construed as a substitute for net income determined in accordance with IFRS.

Order Bookings represent new orders for the supply of automation systems that management believes are firm. Order Backlog is the estimated unearned portion of ASG revenue on customer contracts that are in process and have not been completed at the specified date. A reconciliation of Order Bookings and Order Backlog to total Company revenues for the three and nine month periods ending January 1, 2012 and December 26, 2010 is contained in the MD&A (See "ASG Order Backlog Continuity").

COMPANY PROFILE

The Company has two segments: Automation Systems Group ("ASG"), the Company's continuing operations, and Photowatt Technologies ("Photowatt"), which is classified as discontinued operations. Through ASG, ATS 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 2,300 people at 20 manufacturing facilities in Canada, the United States, Europe, Southeast Asia and China.

Value Creation Strategy

To drive value creation, the Company implemented a three-phase strategic plan: (1) fix the business (improve the existing operations, gain operating control of the business and earn credibility); (2) separate the businesses (create a standalone ASG business, monetize non-core assets and strengthen the balance sheet); and (3) grow (both organically and through acquisition).

Photowatt Separation

During the year ended March 31, 2011, the Company's Board of Directors approved a plan designed to implement the separation of Photowatt from ATS via a dual-track process involving either a spinoff of the Company's combined solar businesses or a sale of Photowatt France ("PWF") and/or Photowatt Ontario ("PWO"). Discussions with parties in regards to a sale of PWF concluded without producing an acceptable transaction. The deterioration of economic conditions and the solar market in Europe in fiscal 2012, increased Asian competition and lower demand for solar products (particularly in France) severely impacted PWF. Consequently, the Company re-examined the spinoff alternative and concluded it was not viable. Other options in relation to PWF were also exhausted and given the aforementioned conditions; PWF's filing for bankruptcy became necessary. On November 8, 2011 (the "Bankruptcy Date"), the French bankruptcy court placed PWF into a "recovery" proceeding ("redressement judiciaire") under the supervision of a court appointed trustee.

As a result of this action, the Company has concluded that it ceased to have the ability to exert control over PWF as of the Bankruptcy Date. Accordingly, the Company's investment in PWF was deconsolidated from the Company's consolidated financial statements beginning on the Bankruptcy Date. Management has estimated the carrying value of the Company's equity investment in PWF to be zero. The results of PWF up to the Bankruptcy Date are presented as discontinued operations in the interim consolidated statements of income (loss). The Company concurrently initiated a formal sale process for the PWO business. The Company has received a number of non-binding indicative offers for the PWO business and intends to work with the interested parties to conclude a transaction. PWO is presented as assets and liabilities associated with discontinued operations in the interim consolidated statements of financial position and as discontinued operations in the interim consolidated statements of income (loss). As a result, ATS' continuing operations are reported as one operating segment, ASG.

Growth

To further the Company's growth strategy, ASG will continue to target providing value-based, complete automation program solutions for customers based on differentiating technological solutions, value of customer outcomes achieved and global capability. With respect to acquisitions, the Company has an organizational structure, business processes and the experience to successfully integrate companies into the group. Acquisition opportunities are targeted and evaluated based on their ability to bring ATS market or technology leadership, scale and/or an opportunity brought on by the economic environment. Financially, targets are reviewed for their potential to add accretive earnings to current operations.

Business Acquisitions

In fiscal 2011 management completed two acquisitions:

Sortimat Group

On June 1, 2010, ATS completed its acquisition of 100% of Sortimat Group ("Sortimat"). Sortimat is a manufacturer of assembly systems for the life sciences market. Established in 1959, Sortimat has locations in Germany, Chicago and India. Sortimat's integration into the Company's ASG segment is substantially complete.

The Sortimat acquisition aligned with ATS' strategy of expanding its position in the global automation market and enhancing growth opportunities, particularly in strategic markets such as life sciences. The Company benefits from Sortimat's products and significant experience in advanced system development, manufacturing, handling, and feeder technologies. This acquisition provided ATS with the scale required to further organize its marketing and divisions into a group focused on life sciences, with the objective to grow the Company's exposure to this market segment and help customers differentiate themselves from their competitors. To integrate Sortimat and effect margin improvements, the Company deployed people to apply best practices, command and control, program management and to advance approach to market. The benefits of these integration initiatives are now being realized. Improvements in program management have led to the elimination of a significant number of RED programs (programs which are not delivered to specification, on time, or on budget). For additional information on the acquisition of Sortimat, refer to note 5 of the interim consolidated financial statements.

ATW

On January 5, 2011, the Company completed its acquisition of the majority of Assembly & Test Worldwide, Inc.'s U.S.-based and German automation and test systems businesses (collectively "ATW"). ATW is a manufacturer of assembly and test systems with capability in the transportation, life sciences and energy markets.

The Company benefits from ATW's significant experience, particularly in the transportation segment. The acquisition of ATW provided ATS with the scale required to further organize its marketing and divisions into a group within the Company's ASG segment that is focused on transportation. Management expects the integration process to continue for a number of quarters. To date, management has completed the consolidation of ATW's Saginaw division into its Livonia and Dayton divisions. Additional incremental margin improvements are targeted through the application of best practices, command and control, program management and approach to market. For additional information on the acquisition of ATW, refer to note 5 of the interim consolidated financial statements.

OVERVIEW – OPERATING RESULTS FROM CONTINUING OPERATIONS

Results from continuing operations comprise the results of ASG and corporate costs not directly attributable to Photowatt. The results of Photowatt are reported as discontinued operations, with comparative periods reclassified as discontinued operations.

Consolidated Revenues from Continuing Operations
(In millions of dollars)

	Three Months Ended January 1, 2012	Three Months Ended December 26, 2010	**Nine Months Ended January 1, 2012**	Nine Months Ended December 26, 2010
Revenues by market				
Life sciences	**$ 48.5**	$ 49.1	**$ 140.0**	$ 139.8
Computer-electronics	**5.7**	9.3	**19.0**	32.1
Energy	**16.1**	30.1	**59.5**	95.2
Transportation	**66.8**	13.2	**171.9**	34.8
Other	**12.0**	19.1	**31.5**	35.0
Total revenues from continuing operations	**$ 149.1**	$ 120.8	**$ 421.9**	$ 336.9

Third Quarter

Third quarter revenues were 23% higher than in the corresponding period a year ago as a result of increased Order Backlog entering the third quarter compared to a year ago and revenues earned by ATW.

By industrial market, revenues from life sciences decreased 1% year over year despite higher Order Backlog entering the third quarter compared to a year ago, due to longer performance periods on certain programs. The 39% decrease in computer-electronics revenues reflected lower activity compared to a year ago. Revenues generated in the energy market decreased 47% on lower Order Backlog entering the third quarter compared to a year ago, reflecting lower activity primarily in the solar market. The 406% increase in transportation revenues compared to a year ago primarily reflected higher Order Backlog entering the third quarter compared to a year ago and the inclusion of ATW. "Other" revenues decreased 37% year over year primarily due to decreased revenues in the consumer products market.

Year-to-date

Revenues for the nine months ended January 1, 2012 were 25% higher than the corresponding period a year ago as a result of revenues from ATW, improved Order Bookings and increased Order Backlog entering the fiscal year compared to a year ago.

By industrial market, year-to-date revenues from the life sciences and transportation markets increased 1% and 394% respectively compared to the same period a year ago. Revenues from the computer-electronics, energy, and "Other" markets decreased 41%, 38%, and 10% respectively compared to the same period a year ago.

Year over year foreign exchange rate changes negatively impacted the translation of ASG revenues, reflecting the strengthening of the Canadian dollar relative to the U.S. dollar.

Consolidated Operating Results
(In millions of dollars)

	Three Months Ended January 1, 2012	Three Months Ended December 26, 2010	Nine Months Ended January 1, 2012	Nine Months Ended December 26, 2010
Earnings from operations	**$ 20.4**	$ 6.1	**$ 44.2**	$ 21.3
Depreciation and amortization	**3.1**	2.7	**9.1**	7.7
EBITDA	**$ 23.5**	$ 8.8	**$ 53.3**	$ 29.0

Third Quarter
Fiscal 2012 third quarter earnings from operations were $20.4 million (14% operating margin) compared to earnings from operations of $6.1 million (5% operating margin) in the third quarter of fiscal 2011. Included in fiscal 2012 third quarter earnings from operations was a gain of $3.0 million relating to the sale of a redundant ASG facility in France, and the benefit of $3.7 million of previously unrecognized U.S. research and development tax credits which were recorded due to improved profitability in the Company's U.S. businesses. Excluding these two items, earnings from operations were $13.7 million (9% operating margin). Higher earnings from operations primarily reflected higher revenues earned during the period and improved operating margins at Sortimat. Increased earnings from operations on a year-over-year basis also reflected lower spending on professional fees related to acquisitions. Third quarter fiscal 2011 earnings from operations included severance and restructuring charges of $0.5 million.

Depreciation and amortization expense was $3.1 million in the third quarter of fiscal 2012 compared to $2.7 million in the same period a year ago. The increase is primarily the result of increased amortization on the identifiable intangible assets recorded on the acquisition of ATW in the third quarter of fiscal 2012 compared to the third quarter of fiscal 2011.

Year-to-date
For the nine months ended January 1, 2012, earnings from operations were $44.2 million (10% operating margin) compared to earnings from operations of $21.3 million (6% operating margin) in the corresponding period a year ago. Excluding the $3.0 million gain relating to the sale of the redundant ASG facility in France, and the benefit of $3.7 million of previously unrecognized U.S. research and development tax credits, earnings from operations were $37.5 million (9% operating margin). Higher earnings from operations primarily reflected higher revenues earned during the period and improved operating margins at Sortimat. The increase on a year-over-year basis also reflected lower spending on professional fees related to acquisitions. Included in the first nine months of fiscal 2012 earnings from operations was a $1.0 million charge for bad debt related to a specific customer bankruptcy protection filing. Included in prior year earnings from operations was $1.5 million in restructuring charges.

Depreciation and amortization expense was $9.1 million in the first nine months of fiscal 2012 compared to $7.7 million in the same period a year ago. The increase in fiscal 2012 depreciation and amortization primarily related to increased amortization on the identifiable intangible assets recorded on the acquisitions of Sortimat and ATW.

ASG Order Bookings

ASG Order Bookings in the third quarter were $179 million, 35% higher than a year ago, reflecting improved Order Bookings in transportation following a general recovery in the automotive market, new product launches by OEMs and tier 1 suppliers and the addition of ATW's business. Improved Order Bookings also reflected additional activity in the life sciences market. Order Bookings in the first five weeks of the fourth quarter of fiscal 2012 were $48 million.

ASG Order Backlog Continuity

(In millions of dollars)

	Three Months Ended January 1, 2012	Three Months Ended December 26, 2010	**Nine Months Ended January 1, 2012**	Nine Months Ended December 26, 2010
Opening Order Backlog	**$ 363**	$ 208	**$ 296**	$ 209
Revenues	**(149)**	(121)	**(422)**	(337)
Order Bookings	**179**	133	**501**	323
Order Backlog adjustments[1]	**(17)**	(5)	**1**	20
Total	**$ 376**	$ 215	**$ 376**	$ 215

1 Order Backlog adjustments include foreign exchange adjustments, cancellations and for the nine months ended December 26, 2010, incremental Order Backlog of $27 million acquired in connection with Sortimat.

ASG Order Backlog by Industry

(In millions of dollars)

	January 1, 2012	December 26, 2010
Life sciences	**$ 117**	$ 68
Computer-electronics	**9**	17
Energy	**34**	45
Transportation	**187**	53
Other	**29**	32
Total	**$ 376**	$ 215

At January 1, 2012, ASG Order Backlog was $376 million, 75% higher than at December 26, 2010. This growth was due to improved market conditions, particularly in transportation and life sciences, the addition of ATW, and a longer performance period for certain programs in Order Backlog.

Outlook

The general economic environment has improved in the last four quarters; however, uncertainty remains, particularly with respect to the European economy due to the Eurozone sovereign debt crisis. This has the potential to result in tighter credit markets which could negatively impact the Company's European operations and may cause volatility in Order Bookings. The Company has seen improvement in certain customer markets such as transportation and life sciences; however, many customers remain cautious in their approach to capital investment.

Despite the uncertainty and volatility in the global economy, activity in the Company's front-end of the business has remained strong. The Company's sales funnel and proposal activity has continued to grow. The Company's sales organization will continue to work to engage with customers on enterprise type solutions. This is expected to improve Order Bookings over the long term. However, this approach to market may cause variability in Order Bookings from quarter to quarter. At the end of the third quarter of fiscal 2012, Order Backlog was at its highest level ever, which will partially negate the impact of volatile Order Bookings on revenues in the short term.

Management expects that the implementation of its strategic initiatives to improve leadership, business processes and supply chain management will continue to have a positive impact on ATS operations. Management's disciplined focus on program management, cost reductions, standardization and quality put ATS in a strong competitive position to capitalize on opportunities going forward and sustain performance in difficult market conditions.

The integration of Sortimat is substantially complete. Initiatives to improve program management, eliminate RED programs, control costs and improve utilization, combined with improved Order Backlog, are expected to drive continued improvements in operating results.

The integration of ATW is substantially complete. The consolidation of ATW's Saginaw division into divisions in Livonia and Dayton is complete. Efforts to control and eliminate RED programs, reduce costs and integrate ATW into ATS's sales and marketing, program management, and command and control processes are significantly advanced. The acquisition of ATW has increased ATS revenues; however, until the efforts are fully completed operating margins are expected to be negatively impacted.

The Company is actively seeking to expand its position in the global automation market organically and through acquisition. To further this objective, management will continue to review and pursue attractive opportunities and intends to apply additional resources to acquisition activities going forward. The Company's strong financial position provides a solid foundation to pursue organic growth and the flexibility to pursue its acquisition growth strategy.

CONSOLIDATED RESULTS FROM CONTINUING OPERATIONS

(In millions of dollars, except per share data)

	Three Months Ended January 1, 2012	Three Months Ended December 26, 2010	**Nine Months Ended January 1, 2012**	Nine Months Ended December 26, 2010
Revenues	**$ 149.1**	$ 120.8	**$ 421.9**	$ 336.9
Cost of revenues	**107.6**	94.6	**309.0**	258.3
Selling, general and administrative	**22.9**	19.3	**68.8**	55.1
Stock-based compensation	**1.2**	0.8	**2.9**	2.2
Gain on sale of land and building	**(3.0)**	—	**(3.0)**	—
Earnings from operations	**$ 20.4**	$ 6.1	**$ 44.2**	$ 21.3
Net finance costs	**$ 0.4**	$ 0.3	**$ 1.2**	$ 0.8
Provision for income taxes	**2.4**	2.8	**9.9**	7.1
Net income from continuing operations	**$ 17.6**	$ 3.0	**$ 33.1**	$ 13.4
Loss from discontinued operations, net of tax	**$ (8.0)**	$ (16.1)	**$ (95.6)**	$ (19.4)
Net income (loss)	**$ 9.6**	$ (13.1)	**$ (62.5)**	$ (6.0)
Earnings (loss) per share				
Basic– from continuing operations	**$ 0.20**	$ 0.03	**$ 0.38**	$ 0.15
Basic– from discontinued operations	**$ (0.09)**	$ (0.18)	**$ (1.10)**	$ (0.22)
	$ 0.11	$ (0.15)	**$ (0.72)**	$ (0.07)
Earnings (loss) per share				
Diluted – from continuing operations	**$ 0.20**	$ 0.03	**$ 0.38**	$ 0.15
Diluted – from discontinued operations	**$ (0.09)**	$ (0.18)	**$ (1.09)**	$ (0.22)
	$ 0.11	$ (0.15)	**$ (0.71)**	$ (0.07)

Revenues. At $149.1 million, consolidated revenues from continuing operations for the fiscal 2012 third quarter were 23% higher than for the corresponding period a year ago as a result of increased Order Backlog entering the third quarter compared to a year ago and revenues earned by ATW. Year-to-date revenues were $421.9 million or 25% higher than for the same period a year ago.

Cost of revenues. Fiscal 2012 third quarter cost of revenues increased by $13.0 million or 14% to $107.6 million. The increase in gross margin to 28% in the third quarter of fiscal 2012 from 22% a year ago reflects the benefit of $3.7 million of previously unrecognized U.S. research and development tax credits which were recorded due to improved profitability in the Company's U.S. businesses. Excluding this item, improved gross margin resulted from higher revenues and improved program management, partially offset by lower margins from acquired businesses. Year-to-date gross margin increased to 27% from 23% in the corresponding period a year ago.

Selling, general and administrative ("SG&A") expenses. SG&A expenses for the third quarter of fiscal 2012 increased 19% or $3.6 million to $22.9 million compared to the corresponding prior-year period. For the nine months ended January 1, 2012, SG&A expenses increased 25% or $13.7 million to $68.8 million compared to the same period a year ago. Higher SG&A costs reflected incremental spending from acquired businesses, incremental amortization related to identifiable intangible assets recorded on the acquisition of Sortimat, and a $1.0 million charge for bad debt related to a specific customer bankruptcy protection filing. These increases were partially offset by lower professional fees on acquisition activities.

Stock-based compensation cost. For the three month period ended January 1, 2012, stock-based compensation expense increased to $1.2 million from $0.8 million a year earlier primarily reflecting additional expense from new stock grants. For the nine month period ended January 1, 2012, stock-based compensation expense increased to $2.9 million from $2.2 million a year earlier primarily reflecting additional expense from new stock grants.

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. The stock options vest upon the Company's stock price trading at or above a stock price performance threshold for a specified minimum number of trading days. When the performance-based 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. As at January 1, 2012, the following performance-based stock options were un-vested:

Stock price performance threshold	Number of options outstanding	Grant date value per option	Weighted average remaining vesting period	Current year expense (in '000s)	Remaining expense to recognize (in '000s)
$ 8.50	889,333	$ 1.41	1.0 years	$ 190	$ 223
9.49	41,667	1.66	2.9 years	9	35
10.41	266,667	2.11	0.8 years	93	84
10.50	889,333	1.41	1.8 years	162	373
11.08	218,667	2.77	0.1 years	114	22
12.41	266,666	2.11	1.7 years	77	165
13.08	218,667	2.77	1.1 years	92	131

Earnings from operations. For the three and nine month periods ended January 1, 2012, consolidated earnings from operations were $20.4 million and $44.2 million respectively (operating margins of 14% and 10% respectively), compared to earnings from operations of $6.1 million and $21.3 million a year ago (operating margins of 5% and 6% respectively) reflecting higher revenues and improved gross margins, the benefit of $3.7 million of previously unrecognized U.S. research and development tax credits and a $3.0 million gain relating to the sale of the redundant ASG facility in France, partially offset by higher SG&A expenses.

Net finance costs. Finance costs were $0.4 million in the third quarter of fiscal 2012 compared to $0.3 million a year ago. The increase in net finance costs is mainly attributable to a decrease in interest income on lower cash balances. For the nine months ended January 1, 2012, finance costs were $1.2 million compared to $0.8 million in the corresponding period last year, reflecting lower cash balances and credit amendment fees, and costs associated with the issuance of letters of credit.

Provision for income taxes. For the three and nine months ended January 1, 2012, the Company's effective income tax rates of 12% and 23%, respectively, differed from the combined Canadian basic federal and provincial income tax rate of 28% (three and nine months ended December 26, 2010 – 30%) primarily as a result of income earned in certain jurisdictions in Asia with lower income tax rates and income earned in Europe where the utilization of unrecognized deferred tax assets resulted in lower income tax expenses.

Net income from continuing operations. Third quarter fiscal 2012 net income from continuing operations was $17.6 million (20 cents earnings per share basic and diluted) compared to net income from continuing operations of $3.0 million (3 cents earnings per share basic and diluted) for the third quarter of fiscal 2011. Net income from continuing operations in the nine months ended January 1, 2012 was $33.1 million (38 cents per share basic and diluted) compared to net income from continuing operations of $13.4 million (15 cents per share basic and diluted) for the corresponding period a year ago.

Reconciliation of EBITDA to IFRS measures
(In millions of dollars)

		Three Months Ended January 1, 2012		Three Months Ended December 26, 2010
EBITDA	**$**	**23.5**	$	8.8
Less: depreciation and amortization expense	**$**	**3.1**	$	2.7
Earnings from operations	**$**	**20.4**	$	6.1
Less: Net finance costs	**$**	**0.4**	$	0.3
Provision for income taxes		**2.4**		2.8
Net income from continuing operations	**$**	**17.6**	$	3.0

		Nine Months Ended January 1, 2012		Nine Months Ended December 26, 2010
EBITDA	**$**	**53.3**	$	29.0
Less: depreciation and amortization expense	**$**	**9.1**	$	7.7
Earnings from operations	**$**	**44.2**	$	21.3
Less: Net finance costs	**$**	**1.2**	$	0.8
Provision for income taxes		**9.9**		7.1
Net income from continuing operations	**$**	**33.1**	$	13.4

FOREIGN EXCHANGE

Strengthening in the value of the Canadian dollar relative to the U.S. dollar had a negative impact on translation of the Company's revenues in the first nine months of fiscal 2012 compared to the corresponding period of fiscal 2011. ATS follows a transaction hedging program to help mitigate the impact of short-term foreign currency movements. This hedging activity consists primarily of forward foreign exchange contracts used to manage foreign currency exposure. Purchasing third-party goods and services in U.S. dollars by Canadian operations also acts as a partial offset to U.S. dollar exposure. The Company's forward foreign exchange contract hedging program is intended to mitigate movements in currency rates primarily over a four-to-six month period. See note 12 to the interim consolidated financial statements for details on the derivative financial instruments outstanding at January 1, 2012.

Period Average Market Exchange Rates in CDN$

	Three months ended			**Nine months ended**		
	January 1, 2012	December 26, 2010	% change	**January 1, 2012**	December 26, 2010	% change
U.S. Dollar	**1.0243**	1.0145	1.0%	**0.9916**	1.0275	(3.5)%
Euro	**1.3767**	1.3777	(0.1)%	**1.3856**	1.3410	3.3 %

DISCONTINUED OPERATIONS: PHOTOWATT

(In millions of dollars)

	Three Months Ended January 1, 2012	Three Months Ended December 26, 2010	**Nine Months Ended January 1, 2012**	Nine Months Ended December 26, 2010
Total Revenues	**$ 9.7**	$ 73.0	**$ 106.4**	$ 166.9
Loss from operations	**(7.9)**	(16.0)	**(90.3)**	(18.6)
Loss from discontinued operations, net of tax	**(8.0)**	(16.1)	**(95.6)**	(19.4)

Third Quarter

Revenues

Photowatt's fiscal 2012 third quarter revenues of $9.7 million were 87% lower than in the third quarter of fiscal 2011 as fiscal 2012 revenues included only five weeks of PWF revenues. Revenues from PWO were $2.0 million, as customers continued to push out orders due to unexpected delays in obtaining necessary government approvals to allow projects to proceed.

Loss from Operations

Photowatt's fiscal 2012 third quarter loss from operations was $7.9 million compared to a loss from operations of $16.0 million a year ago. PWO recorded a $3.5 million loss in the third quarter on lower than expected revenues and higher fixed costs resulting from ramping-up in anticipation of higher demand. The total loss attributable to PWF was $4.4 million, which was comprised of $1.7 million of operating losses and the net impact of deconsolidating PWF and recording the Company's investment at $nil. In addition, ATS funded PWF with $2.7 million to produce solar cells during the third quarter of fiscal 2012 to continue operations during the recovery period. This amount has been fully provided for on the interim consolidated statement of financial position.

Loss from Operations, Net of Tax
Photowatt's third quarter loss from operations, net of tax was $8.0 million compared to a loss from operations, net of tax of $16.1 million in the corresponding period a year ago.

Year-to-Date
Revenues
Revenues for the nine months ended January 1, 2012 of $106.4 million were 36% lower than in the third quarter of fiscal 2011 as they only included seven months of PWF revenues in fiscal 2012. This decline was partially offset by higher revenues at PWO.

Loss from Operations
Photowatt's fiscal 2012 year-to-date loss from operations was $90.3 million compared to a loss from operations of $18.6 million a year ago. Included in the fiscal 2012 operating losses were:

- $24.1 million of non-cash charges related to the write-down of inventory to its net realizable value, following declines in market average selling prices due to declining demand and excess module supply in the European solar industry;
- $24.1 million of charges related to the termination of certain silicon and wafer supply contracts, including non-cash asset impairment charges of $19.9 million;
- Non-cash charge of $8.8 million related to silicon deposits which the Company does not expect to utilize;
- $3.1 million of write-downs to receivables that are not expected to be recovered; and,
- Non-cash fixed asset and goodwill impairment charges of $4.3 million and $5.5 million respectively to write down assets to their expected recoverable amounts.

Loss from Operations, Net of Tax
Photowatt's fiscal 2012 loss from operations, net of tax was $95.6 million compared to a loss from operations, net of tax of $19.4 million in the corresponding period a year ago.

Photowatt Outlook
On November 8, 2011, a hearing was held at which time the French bankruptcy court placed PWF into 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. During the recovery process, ATS expects to provide funding for a period of three to six months. ATS notes that the French bankruptcy process is different from the North American process and requires a more collaborative approach. There may be a number of matters that will require 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.

Regarding the bankruptcy process, the court appointed trustee is working to solicit offers to purchase the PWF business, either in whole or in part. Interested parties are expected to provide bids for PWF in February, after which time the court and its appointed trustee will review and examine the bids.

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 its other solar assets. These opportunities are expected to positively impact cash during the next six months. In this regard, ATS completed the sale of an ASG-owned building in France that formerly housed PWF module assembly. The accounting impact of this sale was recorded in the Company's third quarter interim consolidated financial statements under continuing operations.

Regarding PWO, ATS is conducting a formal sale process to divest the business. The Company has received a number of non-binding indicative offers for the PWO business and is working with the interested parties to conclude a transaction.

Management expects that, if completed, the proceeds from these opportunities will offset the go-forward cash outflows that will result from the bankruptcy process.

In the interim, the Ontario provincial government has launched its scheduled review of the Feed-In Tariff ("FIT") Program. PWO participated in the consultation process with the Ontario government. The Ontario government has not provided a date as to when it expects to release the results of the review.

Ontario Solar PV Fields ("OSPV"), in which PWO holds a 50% interest, has secured conditional FIT contracts totalling approximately 64 MWs related to large-scale ground-mount solar projects. OSPV is in the process of seeking approvals necessary to begin construction on the projects. In the short term, OSPV expects to have a definitive agreement in place for financing and ultimate third-party project ownership. PWO expects to supply modules to OSPV**.**

During the first quarter of fiscal 2012, PWO signed two customer agreements for the manufacture and supply of customer-branded modules. The first agreement is for the supply of a minimum of 24 MWs over fiscal 2012 and 2013. Under the first agreement, PWO will recognize revenue on the full value of the modules manufactured.

The second agreement is for the supply of a minimum of 160 MWs over four years and allows for the potential to increase volumes by an additional 160 MWs over the term of the agreement. Under the second agreement, PWO will recognize revenue for module manufacturing services and module materials other than solar cells, which will be provided by the customer. Initial shipments have been pushed out to the first quarter of fiscal 2013.

PWO has also signed agreements with developers who have secured conditional FIT contracts for a number of projects. PWO will provide modules and other related services to these projects.

Production from the Company's 100 MW module manufacturing line is expected to ramp up to full capacity to meet demand in fiscal 2013.

LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES

Cash, Leverage and Cash Flow from Continuing Operations
(In millions of dollars, except ratios)

As at	**January 1, 2012**	March 31, 2011
Period end cash and cash equivalents	**$ 69.2**	$ 117.1
Period end debt-to-equity ratio	**0.01:1**	0.02:1

For the three months ended	**January 1, 2012**	December 26, 2010
Cash flows provided by operating activities from continuing operations	**$ 8.0**	$ 1.9

At January 1, 2012, the Company had cash and cash equivalents of $69.2 million compared to $117.1 million at March 31, 2011. The Company's total debt-to-total-equity ratio at January 1, 2012 was 0.01:1. At January 1, 2012, the Company had $52.6 million of unutilized credit available under existing credit facilities and another $20.8 million available under letter of credit facilities.

In the three months ended January 1, 2012, cash flows provided by operating activities from continuing operations were $8.0 million ($1.9 million in the corresponding period a year ago). In the nine months ended January 1, 2012, cash flows used in operating activities from continuing operations were $12.8 million ($15.1 million provided from operating activities from continuing operations in the corresponding period a year ago). The increase in cash flows used in operating activities from continuing operations related primarily to the timing of investments in non-cash working capital in a number of large customer programs.

In the third quarter of fiscal 2012, the Company's investment in non-cash working capital increased by $6.3 million. On a year-to-date basis, investment in non-cash working capital increased by $50.1 million on increased revenues and contract values in process. Accounts receivable increased 67% or $48.6 million, primarily due to the timing of billings on certain customer contracts. Net contracts in progress increased by 16% or $4.6 million compared to March 31, 2011, reflecting longer billing milestones on certain programs. Inventories decreased year over year by 6% or $0.7 million. Deposits and prepaid assets decreased by 31% or $5.8 million, primarily due to a decrease in restricted cash. Accounts payable and accrued liabilities increased 3% or $2.3 million since March 31, 2011, primarily due to the timing of purchases. Provisions decreased by $1.6 million or 17% since March 31, 2011.

Capital expenditures totalled $3.7 million for the first nine months of fiscal 2012, primarily related to improvements and upgrades at existing facilities and computer hardware upgrades.

The Company's primary credit facility (the "Credit Agreement") provides total credit facilities of up to $95.0 million, comprised of an operating credit facility of $65.0 million and a letter of credit facility of up to $30.0 million 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 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 April 30, 2012.

As at January 1, 2012, the Company had issued letters of credit in the amount of $13.2 million under the operating credit facility (March 31, 2011 - $5.6 million) and $27.0 million under the letter of credit facility (March 31, 2011 - $nil). No other amounts were drawn on the primary credit facility.

The operating credit facility is available in Canadian dollars by way of prime rate advances, letters 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 0.90% to 2.40%. For bankers' acceptances and LIBOR advances, the interest rate is equal to the bankers' acceptance fee or the LIBOR, respectively, plus 1.90% to 3.40%.

Under the Credit Agreement, the Company pays a fee for usage of the $30.0 million letter of credit facility which ranges from 0.80% to 1.90%.

Under the Credit Agreement, the Company pays a standby fee on the unadvanced portions of the amounts available for advance or draw-down under the credit facilities at rates ranging from 0.475% to 0.850%.

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

The Company has additional credit facilities available of $8.4 million (5.3 million Euro, 13.7 million Indian Rupees and 1.0 million Swiss francs). The total amount outstanding on these facilities is $2.9 million (March 31, 2011 - $7.9 million), of which $0.3 million is classified as bank indebtedness and $2.6 million is classified as long-term debt. The interest rates applicable to the credit facilities range from 2.8% to 8.0% per annum. A portion of the long-term debt is secured by certain assets of the Company. The 1.0 million Swiss Francs and the 13.7 million Indian Rupees credit facilities are secured by letters of credit under the primary credit facility.

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

During the first three quarters of fiscal 2012, 14,300 stock options were exercised. As of February 7, 2012 the total number of shares outstanding was 87,303,455.

Contractual Obligations

(in thousands of dollars)

From continuing operations:

		Operating Leases		Purchase Obligations
Due within one year	$	2,425	$	56,524
Due in one to five years		4,753		20
Due in over five years		3,551		—
	$	10,729	$	56,544

From discontinued operations:

		Purchase Obligations
Due within one year	$	4,282

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

In accordance with industry practice, the Company is liable to the customer for obligations relating to contract completion and timely delivery. In the normal conduct of its operations, the Company may provide bank guarantees as security for advances received from customers pending delivery and contract performance. In addition, the Company may provide bank guarantees as security on equipment under lease and on order. At January 1, 2012, the total value of outstanding bank guarantees available under bank guarantee facilities was approximately $42.1 million (March 31, 2011 – $26.3 million) from continuing operations and was approximately $nil (March 31, 2011 – $13.9 million) from discontinued operations.

CONSOLIDATED QUARTERLY RESULTS

Results for Q1 fiscal 2011 through to Q3 fiscal 2012 are reported under IFRS. Results for Q4 fiscal 2010 are reported under Canadian GAAP. Results have been reclassified to present Photowatt as discontinued operations.

($ in millions, except per share amounts)	**IFRS Q3 2012**	IFRS Q2 2012	IFRS Q1 2012	IFRS Q4 2011	IFRS Q3 2011	IFRS Q2 2011	IFRS Q1 2011	CDN GAAP Q4 2010
Revenues from continuing operations	**$ 149.1**	$ 145.9	$ 126.9	$ 148.4	$ 120.8	$ 114.3	$ 101.8	$ 90.1
Earnings from operations	**$ 20.4**	$ 13.3	$ 10.5	$ 14.2	$ 6.1	$ 6.6	$ 8.5	$ 16.2
Income from continuing operations	**$ 17.6**	$ 9.3	$ 6.2	$ 14.5	$ 3.0	$ 4.8	$ 5.6	$ 44.0
Loss from discontinued operations, net of tax	**$ (8.0)**	$ (76.4)	$ (11.2)	$ (93.9)	$ (16.1)	$ (2.9)	$ (0.4)	$ (41.9)
Net income (loss)	**$ 9.6**	$ (67.1)	$ (5.0)	$ (79.4)	$ (13.1)	$ 1.9	$ 5.2	$ 2.1
Basic and diluted earnings per share from continuing operations	**$ 0.20**	$ 0.11	$ 0.07	$ 0.17	$ 0.03	$ 0.05	$ 0.06	$ 0.50
Basic and diluted loss per share from discontinued operations	**$ (0.09)**	$ (0.87)	$ (0.13)	$ (1.08)	$ (0.18)	$ (0.04)	$ (0.00)	$ (0.47)
Basic and diluted earnings (loss) per share	**$ 0.11**	$ (0.76)	$ (0.06)	$ (0.91)	$ (0.15)	$ 0.01	$ 0.06	$ 0.03
ASG Order Bookings	**$ 179.0**	$ 165.0	$ 157.0	$ 206.0	$ 133.0	$ 105.0	$ 85.0	$ 105.0
ASG Order Backlog	**$ 376.0**	$ 363.0	$ 328.0	$ 296.0	$ 215.0	$ 208.0	$ 215.0	$ 209.0

Interim financial results are not necessarily indicative of annual or longer-term results because many of the individual markets served by the Company tend to be cyclical in nature. General economic trends, product life cycles and product changes may impact revenues and operating performance. ATS typically experiences some seasonality with its revenues and operating earnings due to summer plant shutdowns by its customers. In Photowatt, slower sales may occur in the fiscal fourth quarter, when the weather may impair the ability to install its products in certain geographical areas.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company adopted IFRS as issued by the International Accounting Standards Board ("IASB") effective for its interim and annual financial statements beginning April 1, 2011 with a transition date of April 1, 2010. First quarter fiscal 2012 interim consolidated financial statements were the first financial statements of the Company to be presented on an IFRS basis. Comparative data for all periods subsequent to March 31, 2010 have been restated to be presented on an IFRS basis, including an opening balance sheet as at April 1, 2010.

The Company's annual consolidated financial statements for the year ending March 31, 2012 will be the first annual financial statements that comply with IFRS and these annual consolidated financial statements will be prepared as described in note 2 to the interim consolidated financial statements, including the application of IFRS 1. IFRS 1 requires an entity to adopt IFRS in its first annual financial statements prepared under IFRS by making an explicit and unreserved statement in those financial statements of compliance with IFRS.

IFRS Transition Impact on Operating Results

The Company has assessed the effect of adoption of IFRS and the resulting changes in accounting policies based on IFRS standards expected to be in effect at March 31, 2012. Set out below are the key differences identified that had a material impact on the operating results of ATS in the comparative period, fiscal 2011.

Classification of Photowatt as "Discontinued Operations"

IFRS requires that an evaluation is made as to whether non-current assets (or a disposal group) should be classified as "held for sale" or as "held for distribution to owners" when specific criteria related to their sale or distribution are met. Canadian GAAP requires that non-current assets to be distributed to owners continue to be classified as held and used until disposed of. The Company has determined that under IFRS, the planned separation of Photowatt met the criteria of non-current assets associated with discontinued operations as of March 31, 2011 and therefore has reclassified this disposal group as "associated with discontinued operations" as of March 31, 2011 and reclassified Photowatt's operating results as "discontinued operations" for the current and comparative periods presented in the interim consolidated financial statements.

Business combinations

Acquisition-related costs directly attributable to a business combination may be capitalized to the cost of the acquisition as part of the purchase price allocation under Canadian GAAP. Under IFRS, with the exception of share issuance costs, these costs are to be expensed as incurred. Additionally, restructuring costs included in the purchase price allocation under Canadian GAAP are expensed under IFRS. As a result, under IFRS, the Company recorded additional expenses which reduced net income by $0.6 million and $3.1 million, respectively, for the three and nine months ended December 26, 2010 compared to previously reported results under Canadian GAAP.

Revenue recognition

Construction contracts are specifically defined under IFRS and require percentage-of-completion revenue recognition. Additionally, service revenues are to be accounted for on a percentage-of-completion basis under IFRS. All revenue contracts have been analyzed to ensure that appropriate revenue recognition criterion has been applied.

Revenues previously recognized using completed contract revenue recognition that are required to be recognized under percentage-of-completion accounting under IFRS have been adjusted along with the corresponding cost of revenues and inventory impacts. As a result, under IFRS, the Company adjusted revenues and cost of revenues recognized, which decreased net income by $0.5 million and $0.4 million, respectively, for the three and nine months ended December 26, 2010 compared to previously reported results under Canadian GAAP.

Income taxes
Income tax is recalculated based on differences between Canadian GAAP and IFRS. Income taxes and equity also include an adjustment to tax effect the share issuance costs which should be reported in equity under IFRS but are reported in income under Canadian GAAP. As a result, under IFRS, the Company recorded decreased income tax expenses, which increased net income by $0.1 million and $0.2 million for the three and nine months ended December 26, 2010, compared to previously reported results under Canadian GAAP.

For a full description of all IFRS differences, refer to note 23 of the interim consolidated financial statements.

ACCOUNTING CHANGES
Standards issued but not yet effective or amended up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements
The amendment requires additional disclosures for financial assets that have been transferred, but not derecognized, to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures for continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment becomes effective for fiscal periods beginning on or after July 1, 2011. The amendment affects disclosure only and has no impact on the Company's financial position or results of operations.

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for fiscal periods beginning on or after January 1, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an impact on the classification and measurement of financial assets, but will potentially have no impact on classification and measurement of financial liabilities. ATS will quantify the impact in conjunction with the other phases when issued.

IFRS 10 – Consolidated Financial Statements
This standard will replace portions of IAS 27, Consolidated and Separate Financial Statements and interpretation SIC-12, Consolidated - Special Purpose Entities. This standard incorporates a single model for consolidating all entities that are controlled and revises the definition of when an investor controls an investee to be when it is exposed, or has rights, to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee. Along with control, the new standard also focuses on the concept of power, both of which will include a use of judgment and a continuous reassessment as facts and circumstances change. IFRS 10 is effective for fiscal periods beginning on or after January 1, 2013, with early adoption permitted. The Company is assessing the impact of IFRS 10 on its financial position and results of operations.

IFRS 11 – Joint Arrangements
This standard will replace IAS 31, Interest in Joint Ventures. The new standard will apply to the accounting for interest in joint arrangements where there is joint control. Joint arrangements will be separated into joint ventures and joint operations. The structure of the joint arrangement will no longer be the most significant factor on classifying a joint arrangement as either a joint operation or a joint venture. IFRS 11 is effective for fiscal periods beginning on or after January 1, 2013, with early adoption permitted. The Company is assessing the impact of IFRS 11 on its financial position and results of operations.

IFRS 12 – Disclosure of Interest in Other Entities
The new standard includes disclosure requirements for subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. IFRS 12 is effective for fiscal periods beginning on or after January 1, 2013, with early adoption permitted. The Company is assessing the impact of IFRS 12 on its financial position and results of operations.

IFRS 13 – Fair Value Measurement
The new standard creates a single source of guidance for fair value measurement, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for fiscal periods beginning on or after January 1, 2013, with early adoption permitted. The Company is assessing the impact of IFRS 13 on its financial position and results of operations.

IAS 1 – Presentation of Financial Statements
The amendment requires financial statements to group together items within other comprehensive income (loss) that may be reclassified to the profit or loss section of the interim consolidated statements of income (loss). The amendment reaffirms existing requirements that items in other comprehensive income (loss) and profit or loss should be presented as either a single statement or two consecutive statements. The amendment requires tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items (without changing the option to present items of other comprehensive income (loss) either before tax or net of tax). IAS 1 is effective for fiscal periods beginning on or after July 1, 2012, with early adoption permitted. The Company is assessing the impact of IAS 1 on its financial position and results of operations.

IAS 12 – Income Taxes — Recovery of Underlying Assets
The amendment clarifies the determination of deferred taxes in investment properties measured at fair value. The amendment introduces a rebuttable presumption that deferred taxes on investment properties measured using the fair value model in IAS 40 should be determined on the basis that their carrying amount will be recovered through sale. Furthermore, it introduces the requirement to calculate deferred taxes on non-depreciable assets that are measured using the revaluation model in IAS 16 to always be measured on the sale basis of the asset. The amendment becomes effective for fiscal periods beginning on or after January 1, 2012. The Company is assessing the impact of IAS 12 on its financial position and results of operations.

IAS 19 – Employee Benefits
The amendment eliminates the option to defer the recognition of gains and losses, known as the 'corridor method', requires remeasurements to be presented in other comprehensive income, and enhances the disclosure requirements for defined benefit plans. The amendment becomes effective for fiscal periods beginning on or after January 1, 2013. The Company is assessing the impact of IAS 19 on its financial position and results of operations.

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 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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 systems objectives will be met.

During the nine months ended January 1, 2012, other than as noted below, there have been no changes in 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.

ATS acquired the ATW group on January 5, 2011. Management has not yet completed its assessment of the design or operating effectiveness of ATW's disclosure controls and procedures and the procedures and internal controls over financial reporting. The following summary of financial information pertains to the acquisition that was included in ATS's interim consolidated financial statements for the period ended January 1, 2012.

(millions of dollars)	ATW [1]
Revenue[1]	24.3
Net income[1]	2.3
Current assets [2]	58.7
Non-current assets [2]	6.8
Current liabilities [2]	36.9
Non-current liabilities [2]	0.4

1 Results for the third fiscal quarter ended January 1, 2012
2 Balance sheet as at January 1, 2012

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 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: the Company's growth strategy; the targeting of acquisitions; expectations with respect to the timing of the ATW integration process and targeting of margin improvements; potential impact of global economic environment, including impact on credit markets and ATS order bookings; Company's approach to market and expected impact on Order Bookings; management's expectations in relation to impact of strategic initiatives on ATS operations; impact of management's focus on program management, cost reductions, standardization and quality; expected impact of initiatives at Sortimat; expected impact on operating margins at ATW prior to full integration; the objective of a French bankruptcy recovery process; ATS's intention to offer funding to PWF during a recovery period; potential for additional expenditures to be incurred by ATS throughout the PWF bankruptcy process; separation of solar business; expected positive impact of opportunities related to other solar assets; sale process for PWO; management expectation that, if completed, the proceeds from sale of other solar assets will offset the go-forward cash outflows that will result from the bankruptcy process; OSPV securing conditional FIT approvals totalling approximately 64 MWs related to ground mount solar projects; OSPV seeking required approvals; OSPV expectation to have a definitive agreement in place for financing and ultimate third-party ownership of certain projects; PWO expectation to supply modules to OSPV; two customer agreements signed by PWO in first quarter and expected quantities to be supplied thereunder and timing of initial shipments; ramp up of PWO 100 MW module manufacturing line; PWO agreements with developers who have secured conditional FIT approvals; expectation that PWO will provide modules and other related services to these projects; Company's expectation to continue to increase its investment in working capital; foreign exchange hedging; expectation 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 requirements for investments; and accounting standards changes. The risks and uncertainties that may affect forward-looking statements include, among others: impact of the global economy and the Eurozone sovereign debt crisis; general market performance including capital market conditions and availability and cost of credit; performance of the market sectors that ATS serves; conditions in the solar market and the extent of market demand for solar products; 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; 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; that strategic initiatives within ASG and targeted initiatives at Sortimat and ATW do not have intended positive impact and/or take longer than expected; that a bankruptcy 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 uncertainty resulting from FIT program review in Ontario; the financial attractiveness of, and demand for, the solar projects being developed by PWO; that OSPV is unable to reach a definitive agreement with an ultimate owner of the projects or is delayed in that regard; ability to obtain necessary government and other certifications and approvals for solar projects in a timely fashion; supplier, customer, employee, government and media reaction to PWF bankruptcy proceedings; labour disruptions; that expenditures associated with the PWF bankruptcy exceed current estimates and/or proceeds from sale of other solar assets are less than currently expected; 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; the success of developers with whom PWO has signed agreements in ultimately developing the projects; that one or more customers, or other persons with which the Company has contracted, experience insolvency or bankruptcy with resulting 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 becomes 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's 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.