ATS Automation Tooling Systems Inc.

Management's Discussion and Analysis

For the Year Ended March 31, 2013

TSX: ATA

Management's Discussion and Analysis

For the Year Ended March 31, 2013

This Management's Discussion and Analysis ("MD&A") for the year ended March 31, 2013 (fiscal 2013) is as of May 22, 2013 and provides information on the operating activities, performance and financial position of ATS Automation Tooling Systems Inc. ("ATS" or the "Company") and should be read in conjunction with the audited consolidated financial statements of the Company for fiscal 2013 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. Additional information is contained in the Company's filings with Canadian securities regulators, including its Annual Information Form, found on SEDAR at www.sedar.com and on the Company's website at www.atsautomation.com.

Notice to Reader: Non-IFRS Measures

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 years ending March 31, 2013 and March 31, 2012 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 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 years ending March 31, 2013 and March 31, 2012 is contained in the MD&A (see "ASG Order Backlog Continuity").

COMPANY PROFILE

The Company operates in two segments: Automation Systems Group ("ASG"), the Company's continuing operations, and Solar, 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 consumer products & electronics, energy, life sciences, and transportation. ATS also leverages its many years of experience and skills to fulfill the specialized automation product manufacturing requirements of customers. Through its Ontario solar business, ATS participates in the solar energy industry. ATS employs approximately 2,400 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). The Company has made significant progress in each phase of its Value Creation Strategy, including, the separation of solar assets (see "Discontinued Operations: Solar" and "Solar Separation and Outlook").

Accordingly, in June 2012, the ATS Board of Directors endorsed the Company's vision and mission statements, and approved the next phase of the Company's strategy: Grow, Expand and Scale. This strategy is designed to leverage the strong foundation of ATS's core automation business, continue the growth and development of ATS and create value for all stakeholders.

Vision

Deliver enabling manufacturing solutions to the world's market leaders.

Mission

We will achieve our vision by providing:

- Outstanding value to our customers;
- Superior financial returns to our shareholders; and
- A premier work environment.

Grow

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

Expand

The Company seeks to expand its offering of products and services to the market. The Company intends to build on its automation systems business to offer: engineering, including design, modelling and simulation, and program management; products, including contract manufacturing, automation and other manufacturing products; and services, including pre automation, post automation, training, life cycle material management, and other services. Although engineering, products and services are part of ATS's portfolio today, the Company has significant room to grow these offerings in the future.

Scale

The Company is committed to growth through acquisition, and has an organizational structure, business processes and the experience to successfully integrate acquired companies. Acquisition opportunities are targeted and evaluated on their ability to bring ATS market or technology leadership, scale and/or an opportunity brought on by a weak economic environment. For each of ASG's markets, the Company has analyzed the capability value chain and made a grow, team or acquire decision. Financially, targets are reviewed on a number of criteria including their potential to add accretive earnings to current operations.

Automation Systems Group

ASG Business Overview

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

ASG categorizes its market into four industry groups: life sciences, consumer and electronics, transportation, and energy. Contract values for individual automation systems are often in excess of $1.0 million, with some contracts for Enterprise-type programs being well in excess of $10 million. Given the custom nature of customer projects, contract durations vary greatly, with typical durations ranging from six to 12 months, with some larger contracts extending up to 18 to 24 months.

With broad and in-depth knowledge across multiple industries and technical fields, ASG is able to deliver "single source" solutions to customers that can lower their production costs, accelerate delivery of their products, and improve quality control. ASG's relationships with customers can begin with planning and feasibility studies. In situations where the customer is seeking in-depth analysis before committing to a program, ASG conducts an analysis to verify the economics and feasibility of different types of automation, sets objectives for factors such as line speed and yield, assesses production processes for manufacturability and calculates the total cost of ownership.

When a contract for an automation solution is received, ASG often provides a number of services, including engineering design, prototyping, process verification, specification writing, software development, automation simulation, equipment design and build, third-party equipment qualification, procurement and integration, automation system installation, product line start up, documentation, customer training and after-installation support, maintenance and service. Following the installation of custom automation, ASG may supply duplicate or "repeat" automation systems to customers that leverage engineering design completed in the original customer program. For customers seeking complex equipment replication, ASG's Products group ("APG") provides value engineering, supply chain management, integration and manufacturing capabilities and other automation products and solutions. Typically, APG solutions are either integrated into a larger system by the customer for resale, or delivered as a standalone machine to customers who can then resell it.

ASG Competitive Strengths

Management believes ASG has the following competitive strengths:

Global presence, size and critical mass: ASG's global presence and scale provides an advantage in serving multinational customers because the markets in which the Company operates are primarily populated by competitors with narrow geographic and/or industrial market reach. ASG has manufacturing operations in Canada, the United States, Germany, Switzerland, China, Malaysia, Singapore and India. Management believes that ASG's scale and locations provide it with competitive advantages in winning large, multinational customer programs that have become increasingly common in the industry.

Technical skills, capabilities and experience: Automation manufacturing is a knowledge-based business. ATS has designed, manufactured, assembled and serviced over 15,000 automation systems worldwide since 1978 and has an extensive knowledge base and accumulated design experience. Management believes ASG's broad experience in many different industry sectors, with many diverse technologies, along with its talented workforce and ability to provide custom automation, repeat automation, APG solutions and value-added services, positions the Company well to serve complex multinational customer programs in a variety of industry sectors.

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

Trusted customer relationships: ASG serves some of the world's largest multinational companies. Most of ASG's customers are repeat customers and many have long-standing relationships with ATS, often spanning more than a decade. Management estimates that over 90% of ASG Order Bookings in fiscal 2013 were earned from repeat customers.

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

Total-solutions capabilities: Management believes the Company gains competitive advantages because ASG provides total turn-key solutions in automation. This allows customers to single source their most complex projects to ATS rather than rely on multiple equipment builders. In addition, ASG can provide customers with other value-added services including pre-automation consulting, total cost of ownership studies, life cycle material management, post-automation service, training and support.

OVERVIEW – OPERATING RESULTS FROM CONTINUING OPERATIONS

Results from continuing operations comprise those of ASG and corporate costs not directly attributable to Solar. The results of the Solar segment are reported as discontinued operations.

Effective from the first quarter of fiscal 2013, the Company changed the presentation of its revenues by industrial market to align with the organization of its sales and marketing group. Computer-electronics was combined with consumer products (formerly known as "Other"). Comparative revenue figures in this MD&A were restated to reflect this change in presentation.

Consolidated Revenues from Continuing Operations
(In millions of dollars)

Revenues by market	**Q4 2013**	Q4 2012	**Fiscal 2013**	Fiscal 2012
Consumer products & electronics	**$ 11.0**	$ 22.7	**$ 54.2**	$ 70.6
Energy	**8.2**	17.7	**35.7**	77.2
Life sciences	**61.7**	58.1	**224.4**	200.0
Transportation	**72.3**	75.0	**276.8**	247.6
Total revenues from continuing operations	**$ 153.2**	$ 173.5	**$ 591.1**	$ 595.4

Revenues by installation location	**Q4 2013**	Q4 2012	**Fiscal 2013**	Fiscal 2012
North America	**$ 60.3**	$ 104.0	**$ 262.5**	$ 321.4
Europe	**51.9**	37.6	**180.3**	149.4
Asia / Other	**41.0**	31.9	**148.3**	124.6
Total revenues from continuing operations	**$ 153.2**	$ 173.5	**$ 591.1**	$ 595.4

Fourth Quarter

Fourth quarter revenues were 12% lower than in the corresponding period a year ago. By industrial market, consumer products & electronics revenues declined 52% year-over-year due to lower Order Backlog entering the fourth quarter compared to a year ago, primarily on lower activity in consumer products markets. Energy market revenues decreased 54% on lower Order Backlog entering the fourth quarter compared to a year ago, reflecting weakness in the solar market. Revenues from life sciences increased 6% year-over-year due to higher Order Backlog entering the fourth quarter compared to a year ago on continued market strength. Transportation revenues decreased by 4% on lower Order Backlog entering the fourth quarter compared to a year ago reflecting the timing of various larger opportunities in this market.

Full Year

Fiscal 2013 revenues were 1% lower than the corresponding period a year ago. By industrial market, annual revenues from life sciences and transportation markets both increased 12% year-over-year, primarily on increased Order Backlog entering the fiscal year compared to a year ago. Revenues in energy decreased 54% compared to the same period a year ago, primarily due to decreased Order Backlog entering the fiscal year compared to a year ago on weakness in the solar market. Revenues in consumer products & electronics decreased 23% compared to a year ago, primarily due to lower Order Bookings during the fiscal year compared to a year ago on lower activity in the consumer products market.

Foreign exchange rate changes negatively impacted the translation of revenues earned by foreign-based ASG subsidiaries by approximately $7.8 million compared to fiscal 2012, primarily reflecting the strengthening of the Canadian dollar relative to the Euro.

Consolidated Operating Results
(In millions of dollars)

	Q4 2013	Q4 2012	**Fiscal 2013**	Fiscal 2012
Earnings from operations	**$ 14.0**	$ 16.1	**$ 56.6**	$ 60.3
Depreciation and amortization	**3.3**	2.9	**12.2**	12.0
EBITDA	**$ 17.3**	$ 19.0	**$ 68.8**	$ 72.3

Fourth Quarter
Fiscal 2013 fourth quarter earnings from operations were $14.0 million (9% operating margin) compared to earnings from operations of $16.1 million (9% operating margin) in the fourth quarter of fiscal 2012. The decrease in earnings from operations primarily reflected lower revenues during the fourth quarter of fiscal 2013, which were partially offset by lower selling, general and administrative expenses compared to the corresponding period a year ago.

In the fourth quarter of fiscal 2013, depreciation and amortization expense was $3.3 million compared to $2.9 million in the fourth quarter a year ago.

Full Year
Earnings from operations were $56.6 million (10% operating margin) compared to earnings from operations of $60.3 million (10% operating margin) in the corresponding period a year ago. Excluding a $3.0 million gain 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, both of which were recognized in the third quarter of fiscal 2012, earnings from operations in fiscal 2012 were $53.6 million (9% operating margin). On a normalized basis, increased earnings from operations in fiscal 2013 primarily reflected reduced selling, general and administrative costs.

Depreciation and amortization expense was $12.2 million in fiscal 2013, generally consistent with the $12.0 million expensed in the same period a year ago.

ASG Order Bookings by Quarter
(In millions of dollars)

	Fiscal 2013	Fiscal 2012
Q1	**$ 168**	$ 157
Q2	**112**	165
Q3	**173**	179
Q4	**170**	187
Total Order Bookings	**$ 623**	$ 688

Fourth Quarter
Fourth quarter fiscal 2013 Order Bookings were $170 million, a 9% decrease from the fourth quarter of fiscal 2012 Order Bookings of $187 million. Strong Order Bookings in the transportation market were more than offset by lower Order Bookings in the life sciences

market, which primarily reflected the timing of various larger opportunities, and weakness in the consumer products market.

Full Year
Fiscal 2013 Order Bookings were $623 million, a 9% decrease from fiscal 2012 Order Bookings of $688 million. Continued strength in life sciences and transportation was offset by lower activity in energy, consumer products and electronics.

Included in fiscal 2013 Order Bookings is the initial down payment of $12 million in relation to an approximately 65 million Euro contract awarded to ATS for the turnkey supply of equipment and automation to produce medical devices in a new production facility in Nigeria. ATS is the prime contractor on the project which involves five ATS divisions and six major subcontractors in Germany, Switzerland and Austria. The balance of the agreement is conditional on ATS satisfying itself with respect to certain technical and product information and with respect to certain commercial matters, including finalization of project financing and export credit guarantees relating to the customer's project, which are expected to be provided by German and Austrian banks and export credit agencies. The program commenced late in the third quarter of fiscal 2013. Management understands the project has secured bridge financing and the Company expects to receive milestone payments of approximately 15 million Euro from the financing in the first quarter of fiscal 2014, which will allow work to continue until financial close is reached. The Company will record Order Bookings and Order Backlog as cash payments are received, until the project achieves financial close. The majority of activity on the program is expected to occur subsequent to financial close, with most of the project delivered in the second half of fiscal 2014 and the first half of fiscal 2015. The program is being undertaken with the sponsorship and collaboration of the Rivers State Government, Nigeria. The Company will record the balance of the Order Booking and Order Backlog if and when financial close is reached.

Also included in this fiscal year's Order Bookings is a program valued at approximately $40 million for a new, North-American based life sciences customer. This is the first phase of a potential multi-year, enterprise-type solution for ATS with this customer. The manufacturing system was co-developed by ATS and the customer, through a year-long structured development process, using a number of proprietary ATS technologies. Future phases of the program are dependent on a successful launch of the customer's product and market penetration.

Foreign exchange rate changes negatively impacted the translation of Euro-denominated Order Bookings by approximately $9.2 million compared to fiscal 2012, reflecting the strengthening of the Canadian dollar relative to the Euro.

ASG Order Backlog Continuity
(In millions of dollars)

	Q4 2013	Q4 2012	**Fiscal 2013**	Fiscal 2012
Opening Order Backlog	**$ 388**	$ 376	**$ 382**	$ 296
Revenues	**(153)**	(173)	**(591)**	(595)
Order Bookings	**170**	187	**623**	688
Order Backlog adjustments[1]	**(7)**	(8)	**(16)**	(7)
Total	**$ 398**	$ 382	**$ 398**	$ 382

1 Order Backlog adjustments include foreign exchange adjustments and cancellations.

ASG Order Backlog by Industry
(In millions of dollars)

		Fiscal 2013		Fiscal 2012
Consumer products & electronics	**$**	**23**	$	33
Energy		**13**		21
Life sciences		**162**		142
Transportation		**200**		186
Total	**$**	**398**	$	382

At March 31, 2013, ASG Order Backlog was $398 million, 4% higher than at March 31, 2012, reflecting strength in life sciences and transportation and the Company's approach to market which has varied the timing of various larger opportunities through the backlog-to-revenue cycle. The Company expects its current Order Backlog to be completed over an average period of seven to nine months.

ASG Outlook

The general global economic environment remains uncertain. Some of the Company's geographic markets have shown signs of improvement such as China and other parts of Asia, however, growth remains slow in North America. In Europe, the economy continues to be weak and the Eurozone sovereign debt crisis remains a significant risk to the region. This has the potential to result in tighter credit markets which could negatively impact demand, particularly for the Company's European operations, and may cause volatility in Order Bookings. Overall, a prolonged or more significant downturn in an economy where the Company operates could negatively impact Order Bookings. Impacts on demand for the Company's products and services may lag behind global macroeconomic trends due to the strategic nature of the Company's programs to its customers and long lead times on projects.

Many customers remain cautious in their approach to capital investment; however, activity in the life sciences and transportation markets remains strong. The Company has opportunities in energy markets such as nuclear and oil and gas; however, these may not offset ongoing weakness in the solar energy market caused by reductions in solar feed-in-tariffs. These conditions have negatively impacted both demand for solar products and the need for additional solar manufacturing capacity. Activity in the consumer products & electronics market also remains soft.

The Company's sales organization will continue to work to engage with customers on enterprise-type solutions. This approach to market may cause variability in Order Bookings from quarter to quarter and, as is already the case, lengthen the performance period and revenue recognition for certain customer programs. Order Backlog was at a record level at the end of the fourth quarter of fiscal 2013, which the Company expects will partially mitigate the impact of volatile Order Bookings on revenues in the short term.

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. Management expects that the application of its ongoing efforts to improve its cost structure, business processes, leadership and supply chain management will continue to have a positive impact on ATS operations. The separation of solar (see "Discontinued Operations: Solar Separation and Outlook") will allow the Company to revert capacity in its Cambridge, Ontario campus to its core ASG business. In this regard, the Company expects to implement changes to its cost structure in order to re-balance its global capacity and improve its cost structure. As a result, management expects to incur charges of approximately $2 to $3 million in fiscal 2014, most of which is expected to be incurred in the first quarter. As well, in the first quarter of fiscal 2014, the Company conditionally sold a vacant ASG facility, which it expects will offset some of the restructuring expenses. The sale is expected to close in the third quarter of fiscal 2014.

The Company is seeking to expand its position in the global automation market organically and through acquisition. The Company's strong financial position provides a solid foundation and flexibility to pursue its growth strategy.

CONSOLIDATED RESULTS FROM CONTINUING OPERATIONS & SELECTED FOURTH QUARTER AND ANNUAL INFORMATION

(In millions of dollars, except per share data)

	Q4 2013	Q4 2012	**Fiscal 2013**	Fiscal 2012	Fiscal 2011
Revenues	**$ 153.2**	$ 173.5	**$ 591.1**	$ 595.4	$ 485.3
Cost of revenues	**116.4**	129.7	**441.2**	438.7	371.9
Selling, general and administrative	**21.5**	25.7	**89.5**	94.5	74.9
Stock-based compensation	**1.3**	2.0	**3.8**	4.9	3.0
Gain on sale of land and building	**—**	—	—	(3.0)	—
Earnings from operations	**$ 14.0**	$ 16.1	**$ 56.6**	$ 60.3	$ 35.5
Net finance costs	**$ 0.7**	$ 0.4	**$ 2.0**	$ 1.6	$ 1.1
Provision for income taxes	**4.4**	4.8	**13.5**	14.7	6.6
Net income from continuing operations	**$ 8.9**	$ 10.9	**$ 41.1**	$ 44.0	$ 27.8
Loss from discontinued operations, net of tax	**$ (0.6)**	$ (7.9)	**$ (26.0)**	$ (103.5)	$ (113.3)
Net income (loss)	**$ 8.3**	$ 3.0	**$ 15.1**	$ (59.5)	$ (85.5)
Earnings (loss) per share					
Basic from continuing operations	**$ 0.10**	$ 0.13	**$ 0.47**	$ 0.51	$ 0.32
Basic from discontinued operations	**$ (0.01)**	$ (0.09)	**$ (0.30)**	$ (1.19)	$ (1.30)
	$ 0.09	$ 0.04	**$ 0.17**	$ (0.68)	$ (0.98)
Diluted from continuing operations	**$ 0.09**	$ 0.13	**$ 0.46**	$ 0.51	$ 0.32
Diluted from discontinued operations	**$ (0.00)**	$ (0.09)	**$ (0.29)**	$ (1.19)	$ (1.30)
	$ 0.09	$ 0.04	**$ 0.17**	$ (0.68)	$ (0.98)
From continuing operations:					
Total assets			**$ 565.4**	$ 532.9	$ 496.7
Total cash and short-term investments			**$ 105.5**	$ 96.2	$ 117.1
Total bank debt			**$ 1.2**	$ 3.0	$ 7.9

Revenues. At $153.2 million, consolidated revenues from continuing operations for the fourth quarter of fiscal 2013 were 12% lower than for the corresponding period a year ago. Fiscal 2013 revenues were $591.1 million or 1% lower than for the same period a year ago. See “Overview – Operating Results from Continuing Operations”.

Cost of revenues. At $116.4 million, fourth quarter fiscal 2013 cost of revenues decreased from the corresponding period a year ago by $13.3 million or 10%, primarily due to lower revenues. The decrease in gross margin to 24.0% in the fourth quarter of fiscal 2013 from 25.2% a year ago reflects lower revenues and lower margins on certain projects compared to the corresponding period a year ago.

At $441.2 million, fiscal 2013 cost of revenues increased over the prior year by 1% or $2.5 million. On a normalized basis, cost of revenues decreased by $1.2 million, which excludes the benefit of $3.7 million of previously unrecognized U.S. research and development tax credits which were recorded in fiscal 2012 due to improved profitability in the Company’s U.S. businesses. Fiscal 2013 gross margin of 25.4% was consistent with fiscal 2012 normalized gross margin of 25.7%.

Selling, general and administrative ("SG&A") expenses. SG&A expenses for the fourth quarter of fiscal 2013 of $21.5 million were $4.2 million less than the $25.7 million in the corresponding period a year ago reflecting reduced spending on marketing, administration and employee costs.

Fiscal 2013 SG&A expenses decreased 5% or $5.0 million to $89.5 million compared to a year ago. Lower SG&A costs reflected reduced spending on marketing, administration and employee costs. Included in fiscal 2012 expenses was a $1.0 million charge for bad debt related to a specific customer bankruptcy protection filing.

Stock-based compensation cost. Stock-based compensation expense decreased to $1.3 million in the fourth quarter of fiscal 2013 compared to $2.0 million in the corresponding period a year ago primarily as a result of lower expenses from traditional and performance-based stock options.

Fiscal 2013 stock-based compensation expense decreased to $3.8 million from $4.9 million a year earlier. The decrease is attributable to lower expenses from traditional and performance-based stock options.

Earnings from operations. For the three and twelve month periods ended March 31, 2013, consolidated earnings from operations were $14.0 million and $56.6 million respectively (operating margins of 9% and 10% respectively), compared to earnings from operations of $16.1 million and $60.3 million a year ago (operating margins of 9% and 10% respectively). See “Overview – Operating Results from Continuing Operations”.

Net finance costs. Net finance costs of $0.7 million in the fourth quarter of fiscal 2013 increased from $0.4 million a year ago, reflecting higher costs associated with the new, larger Credit Agreement and letters of credit.

Fiscal 2013 net finance costs were $2.0 million compared to $1.6 million in the corresponding period last year, reflecting higher costs associated with letters of credit.

Provision for income taxes. For the three months ended March 31, 2013, the Company's effective income tax rate of 33% differed from the combined Canadian basic federal and provincial income tax rate of 27% (three months ended March 31, 2012 – 30%) primarily as a result of losses incurred in certain jurisdictions, the benefit of which was not recognized.

For the twelve months ended March 31, 2013, the Company's effective income tax rate of 25% differed from the combined Canadian basic federal and provincial income tax rate of 27% (twelve months ended March 31, 2012 – 25%) primarily as a result of income earned in certain jurisdictions with lower tax rates and where utilization of unrecognized deferred tax assets resulted in lower tax expense for accounting purposes.

Net income from continuing operations. Fiscal 2013 fourth quarter net income from continuing operations was $8.9 million (10 cents per share basic and 9 cents per share diluted) compared to net income from continuing operations of $10.9 million (13 cents per share basic and diluted) for the fourth quarter of fiscal 2012. Net income from continuing operations for fiscal 2013 was $41.1 million (47 cents per share basic and 46 cents per share diluted) compared to net income from continuing operations of $44.0 million (51 cents per share basic and diluted) for the corresponding period a year ago.

Reconciliation of EBITDA to IFRS Measures

(In millions of dollars)

	Fiscal 2013	Fiscal 2012	Fiscal 2011
EBITDA	**$ 68.8**	$ 72.3	$ 46.0
Less: depreciation and amortization expense	**12.2**	12.0	10.5
Earnings from operations	**$ 56.6**	$ 60.3	$ 35.5
Less: Net finance costs	**2.0**	1.6	1.1
Provision for income taxes	**13.5**	14.7	6.6
Net income from continuing operations	**$ 41.1**	$ 44.0	$ 27.8

	Q4 2013	Q4 2012
EBITDA	**$ 17.3**	$ 19.0
Less: depreciation and amortization expense	**3.3**	2.9
Earnings from operations	**$ 14.0**	$ 16.1
Less: Net finance costs	**0.7**	0.4
Provision for income taxes	**4.4**	4.8
Net income from continuing operations	**$ 8.9**	$ 10.9

DISCONTINUED OPERATIONS: SOLAR

(In millions of dollars)

	Q4 2013	Q4 2012	Fiscal 2013	Fiscal 2012
Total revenues	**$ 1.6**	$ 9.8	**$ 3.7**	$ 116.2
Loss from discontinued operations	**(0.7)**	(8.2)	**(26.1)**	(98.5)
Loss from discontinued operations, net of tax	**(0.6)**	(7.9)	**(26.0)**	(103.5)

Fourth Quarter

Revenues

Fiscal 2013 fourth quarter revenues of $1.6 million were 84% lower than in the fourth quarter of fiscal 2012 reflecting lower market activity due to regulatory delays which have negatively affected demand in Ontario.

Loss from Discontinued Operations, Net of Tax

Ontario Solar recorded a $0.6 million loss in the fourth quarter of fiscal 2013. The fourth quarter loss in fiscal 2012 was $7.9 million, $2.0 million of which related to Ontario Solar and $5.9 million of which related to Photowatt International S.A.S. ("PWF").

Full Year

Revenues

Revenues for fiscal 2013 of $3.7 million were 97% lower than in the same period of fiscal 2012 primarily reflecting the de-consolidation of PWF.

Loss from Discontinued Operations, Net of Tax

Fiscal 2013 loss from discontinued operations, net of tax was $26.0 million compared to a loss of $103.5 million a year ago. Included in the fiscal 2013 loss from discontinued operations was $4.9 million of non-cash charges related to the write-down of inventory to its net realizable value, following declines in average market selling prices due to uncertainty in the Ontario market as a result of regulatory delays and $15.1 million of non-cash property, plant and equipment impairment charges to write down assets to their expected recoverable amounts, following the Company's change of plans to pursue separate sales of Ontario solar manufacturing operations and ground-mount solar projects. Included in the fiscal 2012 loss was an operating loss of $98.5 million, net finance charges of $0.7 million and income tax expenses of $4.3 million, which included the write-off of deferred tax assets of $4.4 million.

Solar Separation and Outlook

Regarding the plan to implement the separation of Solar from ATS, during the year ended March 31, 2013, the Company's 50% owned joint venture; Ontario Solar PV Fields ("OSPV"), signed a definitive agreement to sell four ground-mount solar projects, representing approximately 34 megawatts (MWs). The transaction is subject to a number of approvals and conditions, including the purchaser securing financing for the projects. The Company expects the transaction to close in the first half of calendar 2013. OSPV will retain 25% ownership of the projects until the projects reach commercial operation, which is expected to happen in calendar 2014. Net proceeds to the Company are expected to be approximately $20 million, and are expected to be paid based on the projects achieving certain development milestones. To date, the Company has received down payments of $0.8 million for its 50% share of the projects.

The Company has signed a definitive agreement to sell the Ontario Solar manufacturing assets and inventory. Delivery of the assets is expected to occur in the second quarter of fiscal 2014. Net proceeds to the Company are expected to be approximately $6 million with the final one-third of this amount expected to be paid in the third quarter of fiscal 2014. The Company expects to incur restructuring charges of approximately $2 million to complete its obligations related to the sale and wind-down of the business.

Regarding the remaining three ground-mount solar projects, the Company has signed a non-binding memorandum of understanding which sets the major commercial terms for the sale of the projects. The Company is working to conclude a definitive agreement for the sale of those projects.

Overall, management expects to record a gain on the divestitures of its Ontario solar assets as the sales are completed and proceeds realized.

Regarding PWF, 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, the Company 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 reduced the carrying value of the Company's equity investment in PWF to $nil. On February 27, 2012, a subsidiary of the EDF group, the French electricity utility, was selected by the French bankruptcy court to purchase the assets of PWF. The entire workforce of PWF was subsequently transferred to the purchaser or offered to be transferred within the purchaser's group. Effective March 1, 2012, the purchaser assumed control over the operations of PWF. The agreement to purchase PWF was finalized in July 2012.

SUMMARY OF INVESTMENTS, LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES

Investments

(In millions of dollars)

	Fiscal 2013	Fiscal 2012
Investments — increase (decrease)		
Non-cash operating working capital	**$ 26.0**	$ 38.4
Property, plant and equipment	**7.7**	4.8
Acquisition of intangible assets	**4.8**	2.7
Proceeds from disposal of assets	**—**	(8.0)
Acquisition / (Proceeds from disposal) of portfolio investments	**4.6**	(2.1)
Investing activities of discontinued operations	**0.1**	6.1
Total net investments	**$ 43.2**	$ 41.9

For fiscal 2013, the Company's investment in non-cash working capital increased by $26.0 million compared to an increase of $38.4 million a year ago. In fiscal 2013, accounts receivable increased 11% or $9.5 million from March 31, 2012, due to timing of billings on certain customer contracts. Net contracts in progress increased by 9% or $6.2 million compared to March 31, 2012. The Company actively manages its accounts receivable and net contracts in progress balances through billing terms on long-term contracts and by focusing on collection efforts. Inventories increased from March 31, 2012 by $0.4 million. Deposits and prepaid assets decreased by 6% or $0.7 million from March 31, 2012. Accounts payable and accrued liabilities decreased 9% from March 31, 2012 primarily due to timing of purchases.

Capital expenditures totalled $7.7 million for fiscal 2013, primarily related to facility improvements, computer hardware and equipment. Capital expenditures totalled $4.8 million in fiscal 2012, primarily related to improvements and upgrades at existing facilities and computer hardware upgrades.

Intangible assets expenditures totalled $4.8 million for fiscal 2013, primarily related to computer software. Intangible assets expenditures totalled $2.7 million in fiscal 2012 and primarily related to software acquisitions.

The proceeds from disposal of assets of $8.0 million in fiscal 2012 primarily related to the sale of a facility in Europe.

During fiscal 2013, the Company acquired a portfolio investment for $4.6 million. During fiscal 2012, the Company sold a portfolio investment for proceeds of $2.1 million.

The Company performs impairment tests on its goodwill balances on an annual basis or as warranted by events or circumstances. The Company conducted its annual goodwill impairment assessment in the fourth quarter of fiscal 2013 and has determined there is no impairment of goodwill as of March 31, 2013 (fiscal 2012 – $nil).

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

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

	Fiscal 2013	Fiscal 2012
Year-end cash and cash equivalents	**$ 105.5**	$ 96.2
Year-end debt-to-equity ratio	**0.01:1**	0.01:1
Cash flows provided by operating activities from continuing operations	**$ 33.7**	$ 17.8

At March 31, 2013, the Company had cash and cash equivalents of $105.5 million compared to $96.2 million at March 31, 2012. The Company's total debt-to-total-equity ratio, excluding accumulated other comprehensive income, at March 31, 2013 was 0.01:1. At March 31, 2013, the Company had $199.4 million of unutilized credit available under the Credit Agreement and another $18.9 million available under letter of credit facilities.

In fiscal 2013, cash flows provided by operating activities from continuing operations were $33.7 million ($17.8 million provided by operating activities from continuing operations in fiscal 2012). The increase in cash flows provided by operating activities from continuing operations related primarily to lower investments in non-cash working capital in fiscal 2013 compared to the prior year due primarily to the timing of investments in a number of large customer programs.

During fiscal 2013 the Company established a new Senior Secured Credit Facility (the "Credit Agreement"). The Credit Agreement provides a three year committed revolving credit facility of $250.0 million. The Credit Agreement is secured by the assets, excluding real estate, of certain of the Company's North American legal entities and a pledge of shares and guarantees from certain of the Company's legal entities. At March 31, 2013, the Company had utilized $53.1 million under the Credit Agreement by way of letters of credit (March 31, 2012 - $47.0 million).

The Credit Agreement 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 Credit Agreement are determined based on a debt-to-EBITDA ratio. For prime-rate advances and base-rate advances, the interest rate is equal to the bank's prime rate or the bank's U.S. dollar base rate in Canada, respectively, plus 0.50% to 1.50%. For bankers' acceptances and LIBOR advances, the interest rate is equal to the bankers' acceptance fee or the LIBOR, respectively, plus 1.50% to 2.50%. The Company pays a fee for usage of financial letters of credit which ranges from 1.70% to 2.70% and a fee for usage of non-financial letters of credit which ranges from 1.15% to 1.80%. The Company pays a standby fee on the unadvanced portions of the amounts available for advance or draw-down under the Credit Agreement at rates ranging from 0.30% to 0.50%.

The Credit Agreement is subject to a debt-to-EBITDA 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 and paying dividends.

The Company has additional credit facilities of $11.8 million available (7.8 million Euro, 33.0 million Indian rupees and 1.0 million Swiss francs). The total amount outstanding on these facilities at period end was $2.2 million (March 31, 2012 - $3.0 million), of which $nil was classified as bank indebtedness (March 31, 2012 - $0.4 million) and $2.2 million was classified as long-term debt (March 31, 2012 - $2.5 million). The interest rates applicable to these additional credit facilities range from 1.9% to 14.0% 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 33.0 million Indian rupees credit facilities are secured by letters of credit under the Credit Agreement.

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

Contractual Obligations

(In millions of dollars)

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

From continuing operations:

	Operating Leases	Purchase Obligations
Less than one year	$ 4.2	$ 42.6
One – two years	3.4	0.2
Two – three years	2.7	—
Three – four years	2.3	—
Four – five years	1.9	—
Due in over five years	4.9	—
	$ 19.4	$ 42.8

From discontinued operations:

	Purchase Obligations
Due within one year	$ 0.1

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

In accordance with industry practice, the Company is liable to customers for obligations relating to contract completion and timely delivery. In the normal conduct of its operations, the Company may provide bank guarantees as security for advances received from customers pending delivery and contract performance. In addition, the Company provides bank guarantees for post-retirement obligations and may provide bank guarantees as security on equipment under lease and on order. At March 31, 2013, the total value of outstanding bank guarantees available under credit facilities was approximately $68.3 million (March 31, 2012 – $54.2 million) from continuing operations and was $3.7 million (March 31, 2012 – $3.2 million) from discontinued operations.

The Company is exposed to credit risk on derivative financial instruments arising from the potential for counterparties to default on their contractual obligations to the Company. The Company minimizes this risk by limiting counterparties to major financial institutions and monitoring their creditworthiness. The Company's credit exposure to forward foreign exchange contracts is the current replacement value of contracts that are in a gain position. For further information related to the Company's use of derivative financial instruments refer to note 13 of the consolidated financial statements. The Company is also exposed to credit risk from its customers. Substantially all of the Company's trade accounts receivable are due from customers in a variety of industries and, as such, are subject to normal credit risks from their respective industries. The Company regularly monitors customers for changes in credit risk. The Company does not believe that any single industry or geographic region represents significant credit risk. Credit risk concentration with respect to trade receivables is mitigated by the

Company's client base being primarily large, multinational customers and through credit insurance purchased by the Company.

During fiscal 2013, 411,538 stock options were exercised. As of May 22, 2013 the total number of shares outstanding was 87,857,533 and there were 6,987,638 stock options outstanding to acquire common shares of the Company.

RELATED-PARTY TRANSACTIONS

There were no material related-party transactions during fiscal 2013. See note 26 to the consolidated financial statements for further details on related-party disclosure.

FOREIGN EXCHANGE

The Company is exposed to foreign exchange risk as a result of transactions in currencies other than its functional currency of the Canadian dollar. Strengthening in the value of the Canadian dollar relative to the Euro has had a negative impact on translation of the Company's revenues in fiscal 2013 compared to fiscal 2012.

The Company's Canadian operations generate significant revenues in major foreign currencies, primarily U.S. dollars, which exceed the natural hedge provided by purchases of goods and services in those currencies. In order to manage a portion of this net foreign currency exposure, the Company has entered into forward foreign exchange contracts. The timing and amount of these forward foreign exchange contract requirements are estimated based on existing customer contracts on hand or anticipated, current conditions in the Company's markets and the Company's past experience. Certain of the Company's foreign subsidiaries will also enter into forward foreign exchange contracts to hedge identified balance sheet, revenue and purchase exposures. The Company's forward foreign exchange contract hedging program is intended to mitigate movements in currency rates primarily over a four-to-six month period. See note 13 to the consolidated financial statements for details on the derivative financial instruments outstanding at March 31, 2013.

In addition, from time to time, the Company enters forward foreign exchange contracts to manage the foreign exchange risk arising from certain inter-company loans and net investments in certain self-sustaining subsidiaries.

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

Period average exchange rates in CDN$

	Year-end actual exchange rates			**Period average exchange rates**		
	March 31, 2013	March 31, 2012	% change	**March 31, 2013**	March 31, 2012	% change
U.S. Dollar	**1.0160**	0.9975	1.9 %	**1.0016**	0.9938	0.8 %
Euro	**1.3024**	1.3304	-2.1 %	**1.2892**	1.3676	-5.7 %

CONSOLIDATED QUARTERLY RESULTS

(In millions of dollars, except per share amounts)	**Q4 2013**	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Revenues from continuing operations	**$ 153.2**	$ 144.2	$ 141.4	$ 152.2	$ 173.5	$ 149.1	$ 145.9	$ 126.9
Earnings from operations	**$ 14.0**	$ 13.6	$ 13.8	$ 15.2	$ 16.1	$ 20.4	$ 13.3	$ 10.5
Income from continuing operations	**$ 8.9**	$ 10.7	$ 9.7	$ 11.8	$ 10.9	$ 17.6	$ 9.3	$ 6.2
Loss from discontinued operations, net of tax	**$ (0.6)**	$ (21.7)	$ (1.8)	$ (2.0)	$ (7.9)	$ (8.0)	$ (76.4)	$ (11.2)
Net income (loss)	**$ 8.3**	$ (11.0)	$ 7.9	$ 9.8	$ 3.0	$ 9.6	$ (67.1)	$ (5.0)
Basic earnings per share from continuing operations	**$ 0.10**	$ 0.12	$ 0.11	$ 0.13	$ 0.13	$ 0.20	$ 0.11	$ 0.07
Basic loss per share from discontinued operations	**$ (0.01)**	$ (0.24)	$ (0.02)	$ (0.02)	$ (0.09)	$ (0.09)	$ (0.87)	$ (0.13)
Basic earnings (loss) per share	**$ 0.09**	$ (0.12)	$ 0.09	$ 0.11	$ 0.04	$ 0.11	$ (0.76)	$ (0.06)
Diluted earnings per share from continuing operations	**$ 0.09**	$ 0.12	$ 0.11	$ 0.13	$ 0.13	$ 0.20	$ 0.11	$ 0.07
Diluted loss per share from discontinued operations	**$ (0.00)**	$ (0.24)	$ (0.02)	$ (0.02)	$ (0.09)	$ (0.09)	$ (0.87)	$ (0.13)
Diluted earnings (loss) per share	**$ 0.09**	$ (0.12)	$ 0.09	$ 0.11	$ 0.04	$ 0.11	$ (0.76)	$ (0.06)
ASG Order Bookings	**$ 170.0**	$ 173.0	$ 112.0	$ 168.0	$ 187.0	$ 179.0	$ 165.0	$ 157.0
ASG Order Backlog	**$ 398.0**	$ 388.0	$ 361.0	$ 397.0	$ 382.0	$ 376.0	$ 363.0	$ 328.0

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.

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS & ASSUMPTIONS

Note 3 to the consolidated financial statements describes the basis of accounting and the Company's significant accounting policies.

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

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

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

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

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

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

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

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculations involve significant estimates and assumptions. Items estimated include cash flows, discount rates and assumptions on revenue growth rates. These estimates could effect the Company's future results if the current estimates of future performance and fair values change. As described in note 12 of the consolidated financial statements, goodwill is assessed for impairment on an annual basis. The Company performed its annual impairment test of goodwill as at March 31, 2013 and has determined there is no impairment (March 31, 2012 – $nil).

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

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

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

FUTURE ACCOUNTING STANDARDS CHANGES

As of April 1, 2013 with the exception of IFRS 9, which is expected to be effective for fiscal periods beginning on or after January 1, 2015, the Company will be required to adopt the following standards and amendments as issued by the IASB, which are not expected to have a material impact on the Company's consolidated financial statements.

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. 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. The Company will quantify the impact in conjunction with the other phases when issued.

IFRS 10 – Consolidated Financial Statements

This standard replaces 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 11 – Joint Arrangements

This standard will replace IAS 31, Interest in Joint Ventures. The new standard applies 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 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. The new disclosures require information that will assist financial statement users to evaluate the nature, risks and financial effects associated with an entity's interests in subsidiaries and joint arrangements.

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.

IAS 1 – Presentation of Financial Statements
The amendment requires financial statements to group together items within other comprehensive income that may be reclassified to the profit or loss section of the consolidated statements of income. The amendment reaffirms existing requirements that items in other comprehensive income 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 either before tax or net of tax).

IAS 19 – Employee Benefits
The amendment eliminates the option to defer the recognition of gains and losses, known as the 'corridor method', requires re-measurements to be presented in other comprehensive income, and enhances the disclosure requirements for defined benefit plans. The standard also requires that the discount rate used to determine the defined benefit obligation should also be used to calculate the expected return on plan assets by introducing a net interest approach, which replaces the expected return on plan assets and interest costs on the defined benefit obligation, with a single net interest component determined by multiplying the net defined benefit liability or asset by the discount rate used to determine the defined benefit obligation.

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.

Disclosure controls and procedures
An evaluation of the design of and operating effectiveness of the Company's disclosure controls and procedures was conducted as of March 31, 2013 under the supervision of the CEO and CFO as required by CSA National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*. The evaluation included documentation, review, enquiries and other procedures considered appropriate in the circumstances. Based on that evaluation, the CEO and the CFO have concluded that the Company's disclosure controls and procedures are effective to provide reasonable assurance that information relating to the Company and its consolidated subsidiaries that is required to be disclosed in reports filed under provincial and territorial securities legislation is recorded, processed, summarized and reported to senior management, including the CEO and the CFO, so that appropriate decisions can be made by them regarding required disclosure within the time periods specified in the provincial and territorial securities legislation.

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

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.

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

During the year ended March 31, 2013, 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.

OTHER MAJOR CONSIDERATIONS AND RISK FACTORS

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

- Market volatility;
- Strategy execution risks;
- Competition risk;
- Automation systems pricing and revenue mix risk;
- First-time program and production risks;
- Pricing, quality, delivery and volume risk;
- Product failure risks;
- Availability of raw materials and other manufacturing inputs;
- Customer risks;
- New product market acceptance, obsolescence, and commercialization risk;
- Liquidity and access to capital markets;
- Expansion risks;
- Availability of human resources and dependence on key personnel;
- Intellectual property protection risks;
- Risk of infringement of third parties' intellectual property rights;
- Internal controls;
- Income and other taxes and uncertain tax liabilities;
- Variations in quarterly results;
- Share price volatility;
- Litigation;
- Legislative compliance; and
- Dependence on performance of subsidiaries.

Note to Readers: Forward-Looking Statements:
This management's discussion and analysis of financial conditions, and results of operations of ATS contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of ATS, or developments in ATS' business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. ATS cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things: the next phase of the Company's strategy: grow, expand, and scale; new customer programs reflected in Order Bookings; a Nigerian contract and expectations in relation to project timing, financial close, and timing of delivery; time to complete Order Backlog; potential impact of general economic environment, including impact on credit markets, customer markets, and Order Bookings, and the timing of those impacts; demand for Company's products potentially lagging global macroeconomic trends; activity in the market segments that the Company serves; the sales organization's approach to market and expected impact on Order Bookings; management's expectations in relation to the impact of strategic initiatives on ATS operations; the expected implementation of changes to cost structure and charges to be incurred in relation thereto; the Company's strategy to expand organically and through acquisition; separation of solar business; the expected closing with respect to the definitive agreement in relation to four joint venture ground mount solar projects and expected net proceeds and timing of receipt thereof; the definitive agreement for the sale of the Ontario Solar manufacturing assets and inventory, the expected proceeds, and timing of receipt thereof; expected restructuring charges associated with the wind-down of Solar; work on a definitive agreement for sale of remaining three ground-mount solar projects; PWF bankruptcy process; Company's expectation to continue to increase its investment in working capital; expectation in relation to meeting funding requirements for investments; foreign exchange hedging; and accounting standards changes. The risks and uncertainties that may affect forward-looking statements include, among others: impact of the global economy 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; foreign currency and exchange risk; the relative strength of the Canadian dollar; impact of factors such as increased pricing pressure and possible margin compression; the regulatory and tax environment; failure or delays associated with the new customer programs; failure of the Nigerian project to achieve financial close or satisfy other conditions or meet expected timelines; inability to successfully expand organically or through acquisition, due to an inability to grow expertise, personnel, and/or facilities at required rates or to identify, negotiate and conclude one or more acquisitions; or to raise, through debt or equity, or otherwise have available, required capital; that acquisitions made are not integrated as quickly or effectively as planned or expected; that strategic initiatives within ASG are delayed, not completed, or do not have intended positive impact; potential for greater negative impact associated with any non-performance related to large enterprise programs; that restructuring charges for either or both of ASG and Solar exceed those currently contemplated; that the conditions in the agreement for the sale of four joint venture ground mount solar projects are not met or that there are delays in meeting conditions and/or achieving stated milestones; that the delivery of Ontario Solar's

manufacturing assets and inventory to the purchaser is delayed, resulting in delays in payment therefor; that ATS is unable to reach a definitive agreement on acceptable terms in relation to the remaining joint venture ground mount projects or that those projects cannot ultimately be developed, due to market, regulatory, transmission, local opposition, or other factors; unexpected delays and issues, on the timing, form and structure of the solar separation; ability to obtain necessary government and other certifications and approvals for solar projects in a timely fashion; labour disruptions; that expenditures associated with the PWF bankruptcy exceed current expectations; that one or more customers, or other persons with which the Company has contracted, experience insolvency or bankruptcy with resulting delays, costs or losses to the Company; political, labour or supplier disruptions; the development of superior or alternative technologies to those developed by ATS; the success of competitors with greater capital and resources in exploiting their technology; market risk for developing technologies; risks relating to legal proceedings to which ATS is or may become a party; exposure to product liability claims; risks associated with greater than anticipated tax liabilities or expenses; and other risks detailed from time to time in ATS'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.