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ATS PROVIDES UPDATE IN RELATION TO CUSTOMER PROGRAM ON HOLD

Cambridge, Ontario (December 12, 2016): ATS Automation Tooling Systems Inc. (TSX: ATA) (“ATS” or the “Company”) today provided an update in relation to a program that was put on hold by a customer, which impacted approximately \$70 million of Order Backlog.

As reported in the Company’s Management’s Discussion & Analysis for the three months ended October 2, 2016 (“MD&A”), the customer had placed the program on hold subsequent to the end of the Company’s second fiscal quarter, following rapid changes in their market which caused them to re-evaluate their product road map. The customer has now formally cancelled the program. The expected impact of the hold/cancellation on the Company for the third fiscal quarter was previously disclosed in the MD&A.

Going forward, ATS has been engaged by the customer to repurpose those parts of the equipment already completed that can be used by the customer in the manufacture of its next-generation product. Based on consultations with the customer, ATS expects to be invited to bid on and potentially participate in the provision of additional equipment to manufacture this next generation of product. The customer has advised that it expects to begin placing orders in early-to-mid calendar 2017.

About ATS

ATS is an industry-leading automation solutions provider to many of the world's most successful companies. ATS uses its extensive knowledge base and global capabilities in custom automation, repeat automation, automation products and value-added services including pre-automation and after-sales services to address the sophisticated manufacturing automation systems and service needs of multinational customers in markets such as life sciences, chemicals, consumer products, electronics, food, beverage, transportation, energy, and oil and gas. Founded in 1978, ATS employs approximately 3,500 people at 23 manufacturing facilities and over 50 offices in North America, Europe, Southeast Asia and China. The Company's shares are traded on the Toronto Stock Exchange under the symbol ATA. Visit the Company’s website at www.atsautomation.com.

Note to Readers: Non-IFRS Measures:

Order Backlog is a non-IFRS measure and does not have a standardized meaning prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. Order Backlog provides a measure of the value of contracts that have not been completed at a specified point in time and is an indicator of future revenues the Company expects to generate based on contracts that management believes to be firm.

Forward Looking Statements:

This news release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of ATS, or developments in ATS's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. ATS cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things, ATS's expectation to be invited to bid on and potentially participate in the provision of additional equipment to its customer. The risks and uncertainties that may affect forward-looking statements include, among others: impact of the global economy and general market performance; that the customer changes its plans in relation to additional equipment; that ATS fails to win any potential bid to provide additional equipment; 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.

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