ATS AUTOMATION TOOLING SYSTEMS INC.

Annual Audited Consolidated Financial Statements

For the year ended March 31, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation and presentation of the Company's consolidated financial statements is the responsibility of management. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated financial statements and other information in Management's Discussion and Analysis and the Annual Report include amounts that are based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Financial information presented elsewhere in Management's Discussion and Analysis and the Annual Report is consistent with that in the consolidated financial statements, except as described further in the "Non-IFRS Measures" section of Management's Discussion and Analysis.

Management maintains appropriate systems of internal accounting and administrative controls which are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with International Financial Reporting Standards as further described in the "Controls and Procedures" section of Management's Discussion and Analysis.

Management's responsibilities for financial reporting are overseen by the Board of Directors (the "Board"), which is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit and Finance Committee (the "Committee").

The Committee is appointed by the Board and all of its members are independent directors. The Committee meets periodically with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities and to review the consolidated financial statements and the external auditors' report. The Committee has reported its findings to the Board which has approved the consolidated financial statements and Management's Discussion and Analysis for issuance to shareholders. The Committee also considers, for review by the Board and approval of shareholders, the engagement or reappointment of the external auditors.

The consolidated financial statements have been audited on behalf of shareholders by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. The external auditors have full and free access to management and the Committee.

M Perrella

Anthony Caputo
Chief Executive Officer

Maria Perrella
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Shareholders of ATS Automation Tooling Systems Inc.

We have audited the accompanying consolidated financial statements of ATS Automation Tooling Systems Inc., which comprise the consolidated statements of financial position as at March 31, 2016 and 2015, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of ATS Automation Tooling Systems Inc. as at March 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada,
May 18, 2016

ATS AUTOMATION TOOLING SYSTEMS INC.
Consolidated Statements of Financial Position
(in thousands of Canadian dollars)

As at	Note	March 31 2016	March 31 2015
ASSETS	17		
Current assets			
Cash and cash equivalents		**$ 170,034**	$ 106,052
Accounts receivable		**195,911**	145,342
Costs and earnings in excess of billings on contracts in progress	8	**202,694**	192,813
Inventories	8	**46,200**	42,079
Deposits, prepaids and other assets	9	**22,324**	14,731
		637,163	501,017
Assets held for sale	6	**—**	4,221
		637,163	505,238
Non-current assets			
Property, plant and equipment	10	**71,060**	83,901
Investment property	11	**4,211**	3,880
Goodwill	12	**431,747**	405,881
Intangible assets	13	**177,065**	183,610
Deferred income tax assets	19	**2,534**	5,057
Investment tax credit receivable	19	**43,683**	33,107
		730,300	715,436
Total assets		**$ 1,367,463**	$ 1,220,674
LIABILITIES AND EQUITY			
Current liabilities			
Bank indebtedness	17	**$ 2,319**	$ 1,731
Accounts payable and accrued liabilities		**178,826**	200,871
Provisions	15	**20,267**	10,419
Billings in excess of costs and earnings on contracts in progress	8	**126,127**	76,031
Current portion of long-term debt	17	**5,259**	3,372
		332,798	292,424
Liabilities directly associated with assets held for sale	6	**—**	5,717
		332,798	298,141
Non-current liabilities			
Employee benefits	16	**28,252**	24,777
Long-term debt	17	**316,120**	286,154
Deferred income tax liabilities	19	**39,740**	40,870
		384,112	351,801
Total liabilities		**$ 716,910**	$ 649,942
Commitments and contingencies	17, 21		
EQUITY			
Share capital	18	**$ 528,184**	$ 519,118
Contributed surplus		**13,201**	14,420
Accumulated other comprehensive income		**68,319**	33,434
Retained earnings		**40,634**	3,590
Equity attributable to shareholders		**650,338**	570,562
Non-controlling interests		**215**	170
Total equity		**650,553**	570,732
Total liabilities and equity		**$ 1,367,463**	$ 1,220,674

On behalf of the Board:

David McAusland
Director

Neil D. Arnold
Director

See accompanying notes to the consolidated financial statements.

ATS AUTOMATION TOOLING SYSTEMS INC.
Consolidated Statements of Income
(in thousands of Canadian dollars, except per share amounts)

Years ended March 31	Note		2016		2015
Revenues					
Revenues from construction contracts		**$**	**617,487**	$	651,710
Sale of goods			**80,153**		62,997
Services rendered			**342,000**		221,370
Total revenues			**1,039,640**		936,077
Operating costs and expenses					
Cost of revenues			**780,948**		691,067
Selling, general and administrative			**179,297**		173,703
Stock-based compensation	20		**2,638**		4,316
Earnings from operations			**76,757**		66,991
Net finance costs	23		**26,652**		11,931
Income from continuing operations before income taxes			**50,105**		55,060
Income tax expense	19		**10,507**		16,162
Income from continuing operations			**39,598**		38,898
Income from discontinued operations, net of tax	7		**—**		16,198
Net income		**$**	**39,598**	$	55,096
Attributable to					
Shareholders		**$**	**39,553**	$	54,963
Non-controlling interests			**45**		133
		$	**39,598**	$	55,096
Earnings per share attributable to shareholders	24				
Basic – from continuing operations		**$**	**0.43**	$	0.43
Basic – from discontinued operations	7		**—**		0.18
		$	**0.43**	$	0.61
Earnings per share attributable to shareholders	24				
Diluted – from continuing operations		**$**	**0.43**	$	0.42
Diluted – from discontinued operations	7		**—**		0.18
		$	**0.43**	$	0.60

See accompanying notes to the consolidated financial statements.

ATS AUTOMATION TOOLING SYSTEMS INC.
Consolidated Statements of Comprehensive Income
(in thousands of Canadian dollars)

Years ended March 31		**2016**		2015
Net income	**$**	**39,598**	$	55,096
Other comprehensive income (loss):				
Items to be reclassified subsequently to net income:				
Currency translation adjustment (net of income taxes of $nil)		**30,780**		(914)
Net unrealized gain (loss) on derivative financial instruments designated as cash flow hedges		**1,309**		(4,584)
Tax impact		**(349)**		1,145
Loss transferred to net income for derivatives designated as cash flow hedges		**4,136**		2,417
Tax impact		**(1,029)**		(600)
Cash flow hedge reserve adjustment		**51**		—
Tax impact		**(13)**		—
Items that will not be reclassified subsequently to net income:				
Actuarial gains (losses) on defined benefit pension plans		**1,099**		(4,245)
Tax impact		**(317)**		1,198
Other comprehensive income (loss)		**35,667**		(5,583)
Comprehensive income	**$**	**75,265**	$	49,513
Attributable to				
Shareholders	**$**	**75,220**	$	49,380
Non-controlling interests		**45**		133
	$	**75,265**	$	49,513

See accompanying notes to the consolidated financial statements.

ATS AUTOMATION TOOLING SYSTEMS INC.
Consolidated Statements of Changes in Equity
(in thousands of Canadian dollars)

Year ended March 31, 2016

	Share capital	Contributed surplus	Retained earnings (deficit)	Currency translation adjustments	Cash flow hedge reserve	Total accumulated other comprehensive income	Non-controlling interests	Total equity
Balance, as at March 31, 2015	**$ 519,118**	**$ 14,420**	**$ 3,590**	**$ 35,702**	**$ (2,268)**	**$ 33,434**	**$ 170**	**$ 570,732**
Net income	**—**	**—**	**39,553**	**—**	**—**	**—**	**45**	**39,598**
Other comprehensive income	**—**	**—**	**782**	**30,780**	**4,105**	**34,885**	**—**	**35,667**
Total comprehensive income	**—**	**—**	**40,335**	**30,780**	**4,105**	**34,885**	**45**	**75,265**
Stock-based compensation	**—**	**1,899**	**—**	**—**	**—**	**—**	**—**	**1,899**
Exercise of stock options	**11,807**	**(3,118)**	**—**	**—**	**—**	**—**	**—**	**8,689**
Repurchase of common shares	**(2,741)**	**—**	**(3,291)**	**—**	**—**	**—**	**—**	**(6,032)**
Balance, as at March 31, 2016	**$ 528,184**	**$ 13,201**	**$ 40,634**	**$ 66,482**	**$ 1,837**	**$ 68,319**	**$ 215**	**$ 650,553**

Year ended March 31, 2015

	Share capital	Contributed surplus	Retained earnings (deficit)	Currency translation adjustments	Cash flow hedge reserve	Total accumulated other comprehensive income	Non-controlling interests	Total equity
Balance, as at March 31, 2014	$ 510,725	$ 15,025	$ (44,311)	$ 36,616	$ (646)	$ 35,970	$ 129	$ 517,538
Net income	—	—	54,963	—	—	—	133	55,096
Other comprehensive income (loss)	—	—	(3,047)	(914)	(1,622)	(2,536)	—	(5,583)
Total comprehensive income (loss)	—	—	51,916	(914)	(1,622)	(2,536)	133	49,513
Non-controlling interests (note 5)	—	—	(4,015)	—	—	—	(92)	(4,107)
Stock-based compensation	—	1,867	—	—	—	—	—	1,867
Exercise of stock options	8,393	(2,472)	—	—	—	—	—	5,921
Balance, as at March 31, 2015	$ 519,118	$ 14,420	$ 3,590	$ 35,702	$ (2,268)	$ 33,434	$ 170	$ 570,732

See accompanying notes to the consolidated financial statements.

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

Years ended March 31	Note		2016		2015
Operating activities					
Income from continuing operations		**$**	**39,598**	$	38,898
Items not involving cash					
Depreciation of property, plant and equipment			**9,681**		8,208
Amortization of intangible assets			**29,681**		32,316
Deferred income taxes	19		**(232)**		1,002
Other items not involving cash			**(9,560)**		(5,952)
Stock-based compensation	20		**2,638**		4,316
Gain on disposal of property, plant and equipment			**(5,232)**		(295)
			66,574		78,493
Change in non-cash operating working capital			**(30,814)**		3,580
Cash flows used in operating activities of discontinued operations	7		**—**		(1,556)
Cash flows provided by operating activities		**$**	**35,760**	$	80,517
Investing activities					
Acquisition of property, plant and equipment	10	**$**	**(10,050)**	$	(11,154)
Acquisition of intangible assets	13		**(5,611)**		(6,752)
Business acquisition, net of cash acquired	5		**—**		(355,381)
Purchase of non-controlling interest	5		**(71)**		(4,426)
Proceeds from disposal of property, plant and equipment			**22,323**		8,942
Proceeds from sale of subsidiary	6		**2,274**		—
Cash flows provided by investing activities of discontinued operations	7		**—**		22,097
Cash flows provided by (used in) investing activities		**$**	**8,865**	$	(346,674)
Financing activities					
Restricted cash	9	**$**	**—**	$	327
Bank indebtedness			**661**		645
Repayment of long-term debt			**(290,984)**		(82,692)
Proceeds from long-term debt			**303,670**		363,653
Issuance of common shares			**8,689**		5,921
Repurchase of common shares	18		**(6,032)**		—
Cash flows provided by financing activities		**$**	**16,004**	$	287,854
Effect of exchange rate changes on cash and cash equivalents			**2,879**		6,215
Increase in cash and cash equivalents			**63,508**		27,912
Cash and cash equivalents, beginning of year			**106,526**		78,614
Cash and cash equivalents, end of year		**$**	**170,034**	$	106,526
Attributable to					
Cash and cash equivalents – continuing operations		**$**	**170,034**	$	106,052
Cash and cash equivalents – held for sale			**—**		474
		$	**170,034**	$	106,526
Supplemental information					
Cash income taxes paid by continuing operations		**$**	**10,078**	$	11,980
Cash interest paid by continuing operations		**$**	**16,619**	$	10,874

See accompanying notes to the consolidated financial statements.

1. CORPORATE INFORMATION

ATS Automation Tooling Systems Inc. and its subsidiaries (collectively "ATS" or "the Company") operate in one segment: Automation Systems. The Automation Systems segment designs and builds custom-engineered turn-key automated manufacturing and test systems and provides pre-automation and post-automation services to its customers. See note 22 to the consolidated financial statements.

The Company is listed on the Toronto Stock Exchange and is incorporated and domiciled in Ontario, Canada. The address of its registered office is 730 Fountain Street North, Cambridge, Ontario, Canada.

The consolidated financial statements of the Company for the year ended March 31, 2016 were authorized for issue by the Board of Directors on May 18, 2016.

2. BASIS OF PREPARATION

These consolidated financial statements were prepared on a going concern basis under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss or other comprehensive income. All consolidated financial information is presented in Canadian dollars and has been rounded to the nearest thousands, except where otherwise stated.

Statement of compliance
These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis of consolidation
These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are those entities where the Company directly or indirectly owns the majority of the voting power or can otherwise control the activities. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Non-controlling interests in the equity and results of the Company's subsidiaries are presented separately in the consolidated statements of income and within equity in the consolidated statements of financial position.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The Company's material subsidiaries are: Automation Tooling Systems Enterprises Inc., and ATS Automation Tooling Systems GmbH. The Company has a 100% voting and equity securities interest in each of these corporations. All material intercompany balances, transactions, revenues and expenses and profits or losses, including dividends resulting from intercompany transactions, have been eliminated on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Business combinations and goodwill: Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IFRS 9 – *Financial Instruments* ("IFRS 9") either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS policy.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquiree at the date of acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash-generating units ("CGUs") or groups of CGUs based on the level at which management monitors it. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the CGU retained.

(b) Interest in joint arrangements: The Company has interests in joint operations, whereby the joint operators have a contractual arrangement that establishes joint control over the economic activities of the individual entity. The Company recognizes its share of the joint operation's assets, liabilities, revenues and expenses in the consolidated financial statements. The financial statements of the joint operations are prepared for the same reporting period as the parent Company.

(c) Foreign currency: Functional currency is the currency of the primary economic environment in which the subsidiary operates and is normally the currency in which the subsidiary generates and uses cash. Each subsidiary in the Company determines its own functional currency and items included in the consolidated financial statements of each subsidiary are measured using that functional currency. The Company's functional and presentation currency is the Canadian dollar.

Transactions
Foreign currency transactions are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate at the reporting date. All differences are recorded in the consolidated statements of income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Translation
The assets and liabilities of foreign operations are translated into Canadian dollars at period-end exchange rates and their revenue and expense items are translated at exchange rates prevailing at the dates of the transactions. The resulting exchange differences are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statements of income.

(d) Revenue recognition: Revenues are recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenues can be reliably measured. Revenues are measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes or duties. The following specific recognition criteria must be met before revenues are recognized:

Sale of goods
Revenues from the sale of goods are recognized when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on the delivery of goods or transfer of title to the customer.

Rendering of services
Revenues from services rendered are recognized when the stage of completion can be measured reliably. Service revenues include maintenance contracts, extended warranty and other services provided. Stage of completion of the contract is determined as follows:

- Revenues from time and material contracts are recognized at the contractual rates as labour hours are delivered and direct expenses are incurred.

- Revenues from long-term service contracts are recognized on a percentage of completion basis over the term of the contracts, unless there is a pattern of recognition that more accurately represents the stage of completion.

Construction contracts
Revenues from construction contracts are recognized using the percentage of completion method. The degree of completion is determined based on costs incurred, excluding costs that are not representative of progress to completion, as a percentage of total costs anticipated for each contract. Incentive awards, claims or penalty provisions are recognized when such amounts are likely to occur and can reasonably be estimated. When the outcome of a construction contract cannot be estimated reliably, contract revenues are recognized only to the extent of contract costs incurred that are likely to be recoverable. A complete provision is made for losses on contracts in progress when such losses first become known. Revisions in cost and profit estimates, which can be significant, are reflected in the accounting period in which the relevant facts become known.

(e) Investment tax credits and government grants: Investment tax credits are accounted for as a reduction in the cost of the related asset or expense where there is reasonable assurance that such credits will be realized. Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be met. When the grant relates to an expense item, it is deducted from the cost that it is intended to compensate. When the grant relates to an asset, it is deducted from the cost of the related asset. If a grant becomes repayable, the inception to date impact of the assistance previously recognized in earnings is reversed immediately in the period in which the assistance becomes repayable.

(f) Taxes:
Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Company operates and generates taxable income. Current income tax related to items recognized directly in equity is also recognized in equity and not in the consolidated statements of income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset will be realized or the liability will be settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint operations, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint operations, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that all or part of the deferred income tax asset will be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable the benefit will be recovered.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax related to items recognized outside profit or loss is also recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Income tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances existing at the acquisition date changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

Revenues, expenses and assets are recognized net of the amount of sales tax, except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of accounts receivable or accounts payable in the consolidated statements of financial position.

(g) Non-current assets classified as assets held for sale: Non-current assets classified as assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be derecognized principally through a sale transaction rather than recovered through continuing use. This condition is regarded as being met only when the transaction is highly probable and the assets are available for immediate sale in their present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed transaction within one year from the date of classification. In the consolidated statements of income of the reporting period, and of the comparable period, revenues and expenses from discontinued operations are reported separately from revenues and expenses from continuing operations, down to the level of net income after income taxes.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(h) Property, plant and equipment: Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, ATS derecognizes the replaced part and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statements of income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	25 to 40 years
Production equipment	3 to 10 years
Other equipment	3 to 10 years

Leasehold improvements are amortized over the shorter of the term of the related lease or their remaining useful life on a straight-line basis.

An item of property, plant and equipment or any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or eventual disposition. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of income when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(i) Leases: The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases, which transfer to ATS substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between finance charges and the reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the consolidated statements of income.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that ATS will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Leases where ATS does not assume substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statements of income on a straight-line basis over the lease term.

(j) Borrowing costs: Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(k) Investment property: Investment properties, which are properties held to earn rental income and/or for capital appreciation, are measured at acquisition cost less straight-line depreciation and impairment losses. The depreciation policy for investment property is consistent with the policy for owner-occupied property.

(l) Intangible assets: Acquired intangible assets are primarily software, patents, customer relationships, brands, technologies and licenses. Intangible assets acquired separately are initially recorded at fair market value and subsequently at cost less accumulated amortization and impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives, ranging from 1 to 20 years, on a straight-line basis. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as a change in accounting estimate. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives, primarily brands, are not amortized. The Company assesses the indefinite life at each reporting date to determine if there is an indication that an intangible asset may be impaired. If any indication exists, or when annual impairment testing for the intangible asset is required, the Company estimates the recoverable amount at the CGU level to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. An asset is impaired when the recoverable amount is less than its carrying amount. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Impairment losses relating to intangible assets are evaluated for potential reversals when events or changes in circumstances warrant such consideration.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of income when the asset is derecognized.

Research and development expenditures
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset only when the following conditions are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.

- The Company's intention to complete and its ability to use or sell the intangible asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the intangible asset.
- The ability to measure reliably the expenditures during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of revenues. In the event that a product program for which costs have been deferred is modified or cancelled, the Company will assess the recoverability of the deferred costs and if considered unrecoverable, will expense the costs in the period the assessment is made.

(m) Financial instruments:

Policy applicable to December 27, 2015:

Financial assets
Financial assets within the scope of IAS 39 – *Financial Instruments: Recognition and Measurement* ("IAS 39") are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. ATS determines the classification of its financial assets at initial recognition.

All financial assets other than financial assets at fair value through profit or loss are recognized initially at fair value plus directly attributable transaction costs.

ATS' financial assets include cash and cash equivalents, accounts receivable, investments in equities included in portfolio investments and derivative financial instruments.

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in selling, general and administrative expenses in the consolidated statements of income.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less provisions for doubtful accounts. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included in net finance costs in the consolidated statements of income. The losses arising from impairment are recognized in the consolidated statements of income in net finance costs.

Available-for-sale financial assets
Available-for-sale financial assets include equity securities, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income until the investment is derecognized, at which time the cumulative gain or loss is recognized in selling, general and administrative expenses, or determined to be impaired, at which time the cumulative loss is reclassified to the consolidated statements of income and removed from other comprehensive income.

Derecognition
A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or ATS has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For available-for-sale financial assets, the Company assesses at each reporting date whether there is objective evidence that an asset or a group of assets is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the consolidated statements of income is removed from other comprehensive income and recognized in the consolidated statements of income. Impairment losses on equity investments are not reversed through the statements of consolidated income; increases in their fair value after impairments are recognized directly in other comprehensive income.

Financial liabilities
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs.

The Company's financial liabilities include accounts payable and accrued liabilities, bank indebtedness, long-term debt and derivative financial instruments.

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of income.

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of income.

Fair value of financial instruments
The Company primarily applies the market approach for recurring fair value measurements. Three levels of inputs may be used to measure fair value:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included in Level 1 that are observable or can be corroborated by observable market data.
Level 3 – unobservable inputs that are supported by no market activity.

Policy applicable from December 28, 2015:

Recognition
Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Classification
From December 28, 2015 (the date the Company early adopted IFRS 9), the Company classified its financial assets and financial liabilities in the following measurement categories: amortized cost, fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI"), or derivatives designated as a hedging instrument in an effective hedge. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are measured at amortized cost where the business model is to hold the financial asset to collect its contractual cash flows.

Financial liabilities are classified to be measured at amortized cost, derivatives designated as a hedging instrument in an effective hedge, or they are designated to be measured subsequently at FVTPL. For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company classifies and measures financial assets (excluding derivatives) on initial recognition as described below:

- Cash and cash equivalents and restricted cash are classified as and measured at amortized cost.
- Accounts receivable are classified as and measured at amortized cost using the effective interest rate method, less any impairment allowance. Accounts receivable are held within a hold-to-collect business model. The Company does not factor or sell any of its trade receivables.

Accounts payable, bank indebtedness, and long-term debt are classified as other financial liabilities and are measured at amortized cost using the effective interest rate method.

Measurement
All financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial instruments classified as amortized costs are included with the carrying value of such instruments. Transaction costs directly attributable to the acquisition of financial instruments classified as fair value through profit or loss are recognized immediately in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amounts outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at fair value at the end of subsequent accounting periods, with changes recognized in profit or loss or other comprehensive income (irrevocable election at the time of recognition). Designation at FVTOCI is not permitted if the equity investment is held for trading. The cumulative fair value gain or loss will not be reclassified to profit or loss on the disposal of the investments.

Derecognition
A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either the Company has transferred substantially all the risks and rewards of the asset,

or ATS has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of income.

Impairment
The Company recognizes expected credit losses for trade receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Trade receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

The Company measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

Fair value of financial instruments
The Company primarily applies the market approach for recurring fair value measurements. Three levels of inputs may be used to measure fair value:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included in Level 1 that are observable or can be corroborated by observable market data.
Level 3 – unobservable inputs that are supported by no market activity.

(n) Derivative financial instruments and hedge accounting:

Policy applicable to December 27, 2015:

The Company may use derivative financial instruments such as forward foreign exchange contracts and interest rate swaps to hedge its foreign currency risk and interest rate risk, respectively. Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recorded directly in the consolidated statements of income, except for the effective portion of cash flow hedges and hedges of net investments, which are recognized in other comprehensive income.

The Company designates certain derivative financial instruments as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. The application of hedge accounting enables the recording of gains, losses, revenues and expenses from hedging items in the same period as those related to the hedged item. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess and measure the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine whether they have actually been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income, while any ineffective portion is recognized immediately in the consolidated statements of income.

Amounts recognized as other comprehensive income are transferred to the consolidated statements of income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized in other comprehensive income are transferred at the initial carrying amount of the non-financial asset or liability.

If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in equity is transferred to the consolidated statements of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecasted transaction or firm commitment affects profit or loss.

The Company uses forward foreign exchange contracts as hedges of its exposure to foreign currency risk on anticipated revenue or costs. The Company may use interest rate swap contracts with approved financial institutions to reduce its exposure to floating interest rates.

Hedges of net investments
Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument related to the effective portion of the hedge are recognized as other comprehensive income while any gains or losses related to the ineffective portion are recognized in the consolidated statements of income. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated statements of income. The Company may use forward foreign exchange contracts as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

Policy applicable from December 28, 2015:

The Company may use derivative financial instruments such as forward foreign exchange contracts and cross-currency interest rate swaps to hedge its foreign currency risk. The Company designates certain derivative financial instruments as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. At the inception of the hedge relationship, the Company documents the economic relationship between the hedging instrument and the hedged item including whether the hedging instrument is expected to offset changes in cash flows of hedged items. At the inception of each hedging relationship, the Company documents its risk management objective, its strategy for undertaking various hedge transactions and how the Company will assess the hedging instrument's effectiveness in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. The hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine whether they have actually been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow reserve, while any ineffective portion is recognized immediately in the consolidated statements of income.

Amounts recognized in other comprehensive income and accumulated in equity are transferred to the consolidated statements of income when the hedged item is recognized in profit or loss. These earnings are included within the same line of the consolidated statements of income as the hedged item. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized in other comprehensive income are transferred at the initial carrying amount of the non-financial asset or liability.

If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in equity is transferred to the consolidated statements of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecasted transaction or firm commitment affects profit or loss.

The Company uses forward foreign exchange contracts as hedges of its exposure to foreign currency risk on anticipated revenue or costs, and cross-currency interest rate swap contracts as hedges of its exposure to foreign-currency-denominated senior notes. The Company may use interest rate swap contracts with approved financial institutions to reduce its exposure to floating interest rates.

Hedges of net investments
Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument related to the effective portion of the hedge are recognized in other comprehensive income while any gains or losses related to the ineffective portion are recognized in the consolidated statements of income. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated statements of income. The Company uses cross-currency interest rate swap contracts as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

(o) Inventories: Inventories are stated at the lower of cost and net realizable value on a first-in, first-out basis. The cost of raw materials includes purchase cost and costs incurred in bringing each product to its present location and condition. The cost of work in progress and finished goods includes cost of raw materials, labour and related manufacturing overhead, excluding borrowing costs, based on normal operating capacity. Cost of inventories includes the transfer from equity of gains and losses on qualifying cash flow hedges in respect of the purchase of raw materials. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(p) Impairment of non-financial assets: The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the consolidated statements of income in those expense categories consistent with the function of the impaired asset.

(q) Provisions: Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty provisions
Provisions for warranty-related costs are recognized when the product is sold or the service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Restructuring provisions
Restructuring provisions are only recognized when general recognition criteria for provisions are fulfilled. Additionally, the Company needs to have in place a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and the appropriate timeline. The people affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

Transition expenses
The Company recognizes transition expenses at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those expenses; and (b) when the Company recognizes costs for a transition that is within the scope of IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of transition benefits.

In the case of a voluntary departure, the Company can no longer withdraw an offer of transition expenses when either the employee accepts the offer, or when a restriction on the Company's ability to withdraw the offer exists. In the case of an involuntary departure, the Company can no longer withdraw an offer of transition benefits when it has communicated to the affected employees a plan of termination.

(r) Employee benefits: The Company operates pension plans in accordance with the applicable laws and regulations in the respective countries in which the Company conducts business. The pension benefits are provided through defined benefit and defined contribution plans. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method pro-rated on length of service and management's best estimate assumptions to value its pensions using a measurement date of March 31. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur in other comprehensive income. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and is recognized in the selling, general and administrative expenses in the consolidated statements of income.

The past service costs are recognized immediately in profit or loss as an expense.

The defined benefit asset or liability comprises the present value of the defined benefit obligation using the current interest rate at the reporting date on high quality fixed income investments with maturities that match the expected maturities of the obligation, less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value is based on market price information and in the case of quoted securities it is the published bid price. The value of any defined benefit asset recognized is restricted to the sum of any past service costs and actuarial gains and losses not yet recognized and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The accounting method for other long-term employee benefit plans is similar to the method used for defined benefit plans, except that all actuarial gains and losses are recognized immediately in the consolidated statements of income.

(s) Stock-based payments: The Company operates both equity-settled and cash-settled share-based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Company or cash payments.

For equity-settled plans, namely the Employee Share Purchase Plan and the Stock Option Plan, the fair value determined at the grant date is expensed on a proportionate basis consistent with the vesting features of each grant and incorporates an estimate of the number of equity instruments that will ultimately vest. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest based on the non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in the consolidated statements of income with a corresponding adjustment to equity. The proceeds received are credited to share capital and share premiums when the options are exercised.

For cash-settled plans, namely the Deferred Stock Unit Plan, the Share Appreciation Rights and the Restricted Share Units, the expense is determined based on the fair value of the liability incurred at each award date and at each subsequent statement of financial position date until the award is settled. The fair value of the liability is measured by applying quoted market prices. Changes in fair value are recognized in the consolidated statements of income in stock-based compensation expense.

(t) Standards adopted in fiscal 2016: Certain new standards and amendments to standards that were adopted on April 1, 2015 are noted below.

(i) Effective April 1, 2015, the Company adopted the amendments to IAS 19 – *Employee Benefits* ("IAS 19"). The amendments require an entity to consider contributions from employees or third parties when accounting for defined benefit plans. When the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The application of the amendments to IAS 19 had no impact on the consolidated financial statements of the Company.

(ii) IFRS 8 – *Operating Segments* has been amended to require disclosure of the judgments made by management in aggregating operating segments along with the requirement to include a reconciliation of segment assets to the entity's assets when segment assets are reported. As the Company operates in one segment, there has been no impact to the consolidated financial statements related to these amendments.

(iii) Effective December 28, 2015, the Company early adopted IFRS 9. IFRS 9 replaces IAS 39 and addresses the accounting for financial instruments including hedge accounting. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, FVTOCI and FVTPL. IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The business model assessment was completed based on the facts and circumstances which existed as at the initial date of application. IFRS 9 eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale. Under IFRS 9, derivative embedded contracts where the host is a financial asset in the scope of IFRS 9 are never bifurcated. Instead, the whole hybrid instrument is assessed for classification. The requirements for classification and measurement of financial liabilities under IFRS 9 largely carry forward existing requirements in IAS 39.

IFRS 9 replaces the "incurred loss" model under IAS 39 with an "expected credit loss" model as it relates to the impairment of financial assets. The new impairment model does not apply to equity investments. The Company's trade receivables generally have a maturity date of 90 days or less, therefore the adoption of this model did not impact the Company's financial statements.

IFRS 9 amends the requirements for hedge effectiveness and consequently the application of hedge accounting. The IAS 39 effectiveness test is replaced with a requirement for an economic relationship between the hedged item and the hedging instrument, and for the "hedged ratio" to be the same as that used by the Company for risk management purposes. The new standard requires alignment between the risk management objective of an individual hedging relationship and the risk management strategy of the Company. When assessing hedge effectiveness under IFRS 9, the Company is required to ensure credit risk due to counterparty or own creditworthiness does not dominate the change in fair value of either the hedged item or hedging instrument. Generally, the mechanics of hedge accounting remain unchanged.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. However, in accordance with the IFRS 9 transitional provisions, the Company has elected not to restate the comparative periods. Financial instruments derecognized prior to the effective date were accounted for in accordance with IAS 39, as permitted under the transitional provisions of IFRS 9. The IFRS 9 adoption did not impact the measurement or carrying amounts of financial instruments and therefore did not impact retained earnings.

Classification impact:

IFRS 9 introduced new financial instrument classification guidance. The classification effects of adopting IFRS 9 are noted below. There was no effect on the carrying value of the Company's financial assets upon adoption of IFRS 9.

(in thousands of Canadian dollars, except per share amounts)

Financial Statement Line	IAS 39 Classification	IFRS 9 Classification
Cash and cash equivalents	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Deposits	Loans and receivables	Amortized cost
Bank indebtedness	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Long-term debt	Amortized cost	Amortized cost
Derivatives	FVTPL	FVTPL
Derivatives designated as cash flow hedges	FVTOCI	FVTOCI

(u) Standards issued but not yet effective: A number of new standards and amendments to standards have been issued but are not yet effective for the financial year ended March 31, 2016 and, accordingly, have not been applied in preparing these consolidated financial statements.

(i) IFRS 15 – *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15") which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard will supersede all current revenue recognition requirements under IFRS.

The standard currently requires a full or modified retrospective application for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

(ii) IFRS 16 – *Leases*

In January 2016, the IASB issued IFRS 16 – *Leases* which requires lessees to recognize assets and liabilities for most leases. There are minimal changes to the existing accounting in IAS 17 – *Leases* from the perspective of lessors.

The new standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted provided IFRS 15 has been adopted or is adopted at the same date. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the end of the reporting period. However, uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The Company based its estimates, judgments and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the estimates when they occur.

The following are the critical judgments, estimates and assumptions that have been made in applying the Company's accounting policies and that have the most significant effect on the amounts in the consolidated financial statements:

(a) Revenue recognition and contracts in progress: Revenues from construction contracts are recognized on a percentage of completion basis as outlined in note 3(d) "Construction contracts." In applying the accounting policy on construction contracts, judgment is required in determining the expected profitability of the contract and the estimated costs to complete a contract. These factors are reviewed at each reporting period and by their nature may give rise to income volatility.

(b) Income taxes: Deferred income tax assets, disclosed in note 19, 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 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.

(c) Stock-based payment transactions: The Company measures the cost of transactions with employees by reference to the fair value of the equity instruments. 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 future forfeiture rate, 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 20 to the consolidated financial statements.

(d) Impairment of non-financial assets: Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. As disclosed in notes 12 and 13 to the consolidated financial statements, the calculations involve significant estimates and assumptions. Items estimated include cash flows, discount rates and assumptions on revenue growth rates. These estimates could affect the Company's future results if the current estimates of future performance and fair values change.

(e) Employee benefits: The cost of defined benefit pension plans, the cost of other long-term employee benefit 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 the 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.

(in thousands of Canadian dollars, except per share amounts)

Further details about the assumptions used are provided in note 16.

(f) Fair value measurement: Acquisitions that meet the definition of a business combination require the Company to recognize the assets acquired and liabilities assumed at their fair value on the date of the acquisition. The calculation of fair value of the assets and liabilities may require the use of estimates and assumptions, based on discounted cash flows, market information and using independent valuations and management's best estimates.

5. ACQUISITION

On September 1, 2014, the Company completed its acquisition of 100% of the shares of M+W Process Automation GmbH and ProFocus LLC (collectively Process Automation Solutions or "PA"). PA is a global provider of engineering-based automation services and solutions focused on the control, performance monitoring and measurement of critical production processes. It has been integrated with the Company's existing Automation Systems segment. The acquisition is aligned with the Company's stated strategy of scaling its position in the global automation market by adding to its services and life-cycle management capabilities across several core elements of the customer value chain.

The total cash consideration paid for PA was $367,210 (253,139 Euro). At the close of the transaction, $364,626 (251,241 Euro) was paid, with the remaining balance paid in May 2015. In addition, the Company incurred $9,224 of transaction costs in fiscal 2015 related to the acquisition which were recognized in selling, general and administrative expenses.

Cash used in investing activities was determined as follows:

Cash consideration	$	367,210
Less cash acquired		(11,829)
	$	355,381

The purchase cost was allocated to the underlying assets acquired and liabilities assumed based upon the estimated fair values at the date of acquisition. The Company determined the fair values based on discounted cash flows, market information, and using independent valuations and management's best estimates.

The allocation of the purchase price at fair value is as follows:

Purchase price allocation		
Cash	$	11,829
Current assets		66,350
Property, plant and equipment		3,233
Intangible assets with a definite life		
Technology		290
Customer relationships		100,140
Other		12,564
Current liabilities		(55,831)
Deferred income tax liability		(31,689)
Other long-term liabilities		(1,833)
Net identifiable assets		105,053
Residual purchase price allocated to goodwill		262,157
	$	367,210

(in thousands of Canadian dollars, except per share amounts)

Non-cash working capital includes accounts receivable of $21,924, representing gross contractual amounts receivable of $22,210 less management's best estimate of the contractual cash flows not expected to be collected of $286.

The primary factors that contributed to a residual purchase price that resulted in the recognition of goodwill are: the existing PA business; the acquired workforce; access to growth opportunities in new markets and with existing customers; and the combined strategic value to the Company's growth plan. Approximately $38,900 and $27,100 of the amounts assigned to goodwill and intangible assets are expected to be deductible for tax purposes.

Included in the PA acquisition was the acquisition of a majority interest in a PA subsidiary, M+W Advanced Applications GmbH. On January 15, 2015, the Company increased its ownership from 74% to 100% of the subsidiary. The total cash consideration to be paid in respect of this increased ownership is expected to be $4,497 (3,250 Euro), which includes expected future payments of $1,189 (859 Euro) which are payable and subject to upward and downward adjustment of up to 50% of the expected future payments based on the achievement of certain operating performance targets over the next two years.

This acquisition was accounted for as a business combination with the Company as the acquirer of PA. The purchase method of accounting was used and the earnings have been consolidated from the acquisition date, September 1, 2014.

6. DIVESTITURE

During the year ended March 31, 2016, the Company sold its Swiss-based subsidiary, ATS Wickel-und Montagetechnik AG, which has previously been recorded as assets held for sale, for cash proceeds of $2,274 (1,716 CHF).

The major classes of assets and liabilities of ATS Wickel-und Montagetechnik AG classified as held for sale at March 31, 2015 were as follows:

As at		March 31 2015
Assets		
Cash and cash equivalents	$	474
Accounts receivable		1,483
Inventories		238
Costs and earnings in excess of billings on contracts in progress		1,582
Deposits, prepaids and other assets		98
Property, plant and equipment		219
Intangible assets		127
Assets held for sale	$	4,221
Liabilities		
Accounts payable and accrued liabilities	$	1,632
Billings in excess of costs and earnings on contracts in progress		240
Provisions		130
Employee benefits		3,715
Liabilities directly associated with assets held for sale	$	5,717
Net liabilities held for sale	$	(1,496)

7. DISCONTINUED OPERATIONS

During the year ended March 31, 2015, the Company completed its divestiture of the Ontario-based Solar business. During the year ended March 31, 2014, the Company's 50% owned joint operation, Ontario Solar PV Fields ("OSPV"), sold four ground-mount solar projects. OSPV retained 25% ownership of the projects until the projects reached commercial operation in October 2014. Net proceeds to the Company were $21,400, of which the Company received net proceeds of $7,500 during the year ended March 31, 2015 and $13,900 during the years ended March 31, 2014 and March 31, 2013. During the year ended March 31, 2015, the Company recognized a gain of $7,000 on the sale of the projects.

(in thousands of Canadian dollars, except per share amounts)

During the year ended March 31, 2015, the Company sold the three remaining ground-mount solar projects. Net proceeds to the Company were $14,600, and the Company recognized a gain of $9,700 on the sale of the projects.

Year ended		March 31 2015
Gain on sale	$	16,693
Operating costs and expenses		(502)
Income from discontinued operations		16,191
Net finance costs		1
Income from discontinued operations before income taxes		16,190
Income tax recovery		8
Income from discontinued operations, net of tax	$	16,198
Income per share		
Basic and diluted - from discontinued operations	$	0.18

8. CONSTRUCTION CONTRACTS AND INVENTORIES

As at		**March 31 2016**		March 31 2015
Contracts in progress:				
Costs incurred	**$**	**1,338,603**	$	1,187,283
Estimated earnings		**415,450**		370,309
		1,754,053		1,557,592
Progress billings		**(1,677,486)**		(1,440,810)
	$	**76,567**	$	116,782
Disclosed as:				
Costs and earnings in excess of billings on contracts in progress	**$**	**202,694**	$	192,813
Billings in excess of costs and earnings on contracts in progress		**(126,127)**		(76,031)
	$	**76,567**	$	116,782

As at		**March 31 2016**		March 31 2015
Inventories are summarized as follows:				
Raw materials	**$**	**11,328**	$	11,708
Work in progress		**32,530**		28,984
Finished goods		**2,342**		1,387
	$	**46,200**	$	42,079

The amount charged to net income and included in cost of revenues for the write-down of inventories for valuation issues during the year ended March 31, 2016 was $233 (March 31, 2015 - $906). The amount of inventories carried at net realizable value as at March 31, 2016 was $1,664 (March 31, 2015 - $1,778).

9. DEPOSITS, PREPAIDS AND OTHER ASSETS

As at		**March 31 2016**		March 31 2015
Prepaid assets	**$**	**7,557**	$	6,937
Restricted cash (i)		**443**		409
Supplier deposits		**8,842**		5,537
Forward foreign exchange contracts		**5,453**		1,785
Other assets		**29**		63
	$	**22,324**	$	14,731

(i) Restricted cash primarily consists of cash collateralized to secure letters of credit.

(in thousands of Canadian dollars, except per share amounts)

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and leaseholds	Production equipment	Other equipment	Total
Cost:					
Balance, at March 31, 2014	$ 21,851	$ 99,946	$ 15,427	$ 29,555	$ 166,779
Additions	—	2,529	1,321	7,304	11,154
Acquisition of a subsidiary (note 5)	—	944	123	2,166	3,233
Disposals	(1,228)	(19,598)	(993)	(2,363)	(24,182)
Exchange and other adjustments	50	1,637	(914)	(942)	(169)
Balance, at March 31, 2015	$ 20,673	$ 85,458	$ 14,964	$ 35,720	$ 156,815
Additions	—	1,453	897	7,700	10,050
Disposals	(4,978)	(24,381)	(2,737)	(4,438)	(36,534)
Exchange and other adjustments	924	5,090	1,051	474	7,539
Balance, at March 31, 2016	**$ 16,619**	**$ 67,620**	**$ 14,175**	**$ 39,456**	**$ 137,870**

	Land	Buildings and leaseholds	Production equipment	Other equipment	Total
Depreciation:					
Balance, at March 31, 2014	$ —	$ (50,645)	$ (12,497)	$ (18,225)	$ (81,367)
Depreciation expense	—	(3,138)	(767)	(4,303)	(8,208)
Disposals	—	12,440	952	2,167	15,559
Exchange and other adjustments	—	(434)	922	614	1,102
Balance, at March 31, 2015	$ —	$ (41,777)	$ (11,390)	$ (19,747)	$ (72,914)
Depreciation expense	—	(3,222)	(885)	(5,574)	(9,681)
Disposals	—	13,091	2,727	3,962	19,780
Exchange and other adjustments	—	(2,480)	(838)	(677)	(3,995)
Balance, at March 31, 2016	**$ —**	**$ (34,388)**	**$ (10,386)**	**$ (22,036)**	**$ (66,810)**
Net book value:					
At March 31, 2016	**$ 16,619**	**$ 33,232**	**$ 3,789**	**$ 17,420**	**$ 71,060**
At March 31, 2015	$ **20,673**	$ **43,681**	$ **3,574**	$ **15,973**	$ **83,901**

Included in other equipment as at March 31, 2016 is $301 (March 31, 2015 - $1,341) of assets which are under construction and have not been depreciated.

11. INVESTMENT PROPERTY

	2016	2015
Balance, at April 1	**$ 3,880**	$ 4,341
Foreign exchange adjustment	**331**	(461)
Balance, at March 31	**$ 4,211**	$ 3,880

The estimated fair value of the Company's investment property at March 31, 2016 and March 31, 2015 approximates its carrying value, based on comparable market data for similar properties. The investment property is a plot of vacant land which does not earn any rental income nor incur any direct operating expenses, including repairs and maintenance.

12. GOODWILL

The carrying amount of goodwill acquired through business combinations has been allocated to a group of CGUs which combine to form a single operating segment being Automation Systems Group, as follows:

As at	**March 31 2016**	March 31 2015
Automation Systems Group	**$ 431,747**	$ 405,881

(in thousands of Canadian dollars, except per share amounts)

		2016		2015
Balance at April 1	**$**	**405,881**	$	151,731
Acquisition – PA (note 5)		**923**		261,234
Foreign exchange		**24,943**		(7,084)
Balance at March 31	**$**	**431,747**	$	405,881

The Company performed its annual impairment test of goodwill as at March 31, 2016. The recoverable amount of the group of CGUs is determined based on fair value less costs to sell using a capitalized EBITDA approach. This approach requires management to estimate maintainable future EBITDA and capitalize this amount by rates of return which incorporate the specific risks and opportunities facing the business. EBITDA includes net income from continuing operations less income taxes, net finance charges, depreciation and amortization.

In determining a maintainable future EBITDA, the historical operating results for the five years ended March 31, 2016 were compared to the budgeted results for the year ending March 31, 2017, as presented to and approved by the Board of Directors. Non-recurring and unusual items have been adjusted in order to normalize past EBITDA. Management selected capitalization rates in the range of 9.5% to 12.5% for the calculation of the reasonable range of capitalized EBITDA. As a result of the analysis, management did not identify impairment for this group of CGUs.

Management believes that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the group of CGUs.

13. INTANGIBLE ASSETS

	Development projects	**Computer software, licenses and other**	**Technology**	**Customer relationships**	**Brands**	**Total**
Cost:						
Balance, at March 31, 2014	$ 7,118	$ 25,447	$ 23,362	$ 78,701	$ 13,692	$ 148,320
Additions	3,529	3,223	—	—	—	6,752
Acquisition of a subsidiary (note 5)	174	12,390	290	100,140	—	112,994
Disposals	—	(273)	—	—	—	(273)
Exchange and other adjustments	(402)	(4,092)	(2,047)	(12,753)	(1,454)	(20,748)
Balance, at March 31, 2015	$ 10,419	$ 36,695	$ 21,605	$ 166,088	$ 12,238	$ 247,045
Additions	2,599	3,012	—	—	—	5,611
Disposals	—	(873)	—	—	—	(873)
Exchange and other adjustments	472	(10,502)	1,723	17,242	1,046	9,981
Balance, at March 31, 2016	**$ 13,490**	**$ 28,332**	**$ 23,328**	**$ 183,330**	**$ 13,284**	**$ 261,764**

	Development projects	**Computer software, licenses and other**	**Technology**	**Customer relationships**	**Brands**	**Total**
Amortization:						
Balance, at March 31, 2014	$ (3,398)	$ (13,522)	$ (5,469)	$ (14,633)	$ —	$ (37,022)
Amortization	(758)	(13,828)	(2,661)	(15,069)	—	(32,316)
Disposals	—	249	—	—	—	249
Exchange and other adjustments	32	3,620	474	1,528	—	5,654
Balance, at March 31, 2015	$ (4,124)	$ (23,481)	$ (7,656)	$ (28,174)	$ —	$ (63,435)
Amortization	(1,512)	(6,087)	(2,639)	(19,443)	—	(29,681)
Disposals	—	782	—	—	—	782
Exchange and other adjustments	(64)	10,750	(640)	(2,411)	—	7,635
Balance, at March 31, 2016	**$ (5,700)**	**$ (18,036)**	**$ (10,935)**	**$ (50,028)**	**$ —**	**$ (84,699)**
Net book value:						
At March 31, 2016	**$ 7,790**	**$ 10,296**	**$ 12,393**	**$ 133,302**	**$ 13,284**	**$ 177,065**
At March 31, 2015	$ 6,295	$ 13,214	$ 13,949	$ 137,914	$ 12,238	$ 183,610

(in thousands of Canadian dollars, except per share amounts)

As at March 31, 2016, there are no intangible assets included in computer software, licenses and other intangibles that are in development and have not been depreciated (March 31, 2015 - $150). Research and development costs that are not eligible for capitalization have been expensed and are recognized in cost of revenues.

The Company performed its annual impairment test of indefinite-lived intangible assets as at March 31, 2016. The recoverable amount of acquired intangible assets was estimated based on a value in use calculation using the present value of the future cash flows expected to be derived by the related subsidiaries. This approach requires management to estimate cash flows which include EBIT from continuing operations less income taxes, depreciation and amortization and capital expenditures.

In determining future cash flows, the budgeted results for the year ending March 31, 2017, as presented to and approved by the Board of Directors were extrapolated for a five-year period. Management used pre-tax discount rates in the range of 15% to 20% to determine the present value of the future cash flows. As a result of the analysis, management did not identify an impairment of the intangible assets and any reasonable change in assumptions would not result in impairment.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Summary of financial instruments

(i) Categories of financial instruments: The carrying values of the Company's financial instruments are classified into the following categories:

As at				**March 31, 2016**
	Fair value through profit or loss	**Amortized cost**	**Fair value through other comprehensive income**	**Total carrying value**
Financial assets:				
Cash and cash equivalents	**$ —**	**$ 170,034**	**$ —**	**$ 170,034**
Trade accounts receivable	**—**	**182,998**	**—**	**182,998**
Financial liabilities:				
Bank indebtedness	**—**	**(2,319)**	**—**	**(2,319)**
Trade accounts payable and accrued liabilities	**—**	**(138,610)**	**—**	**(138,610)**
Long-term debt	**—**	**(321,379)**	**—**	**(321,379)**
Derivative instruments:				
Held for trading derivatives that are not designated in hedge accounting relationships – gain (i)	**1,961**	**—**	**—**	**1,961**
Derivative instruments in designated hedge accounting relationships – gain (i)	**—**	**—**	**2,416**	**2,416**
Cross-currency interest rate swap – loss (ii)	**—**	**—**	**(1,197)**	**(1,197)**

(in thousands of Canadian dollars, except per share amounts)

As at				March 31, 2015
	Fair value through profit or loss	Amortized cost	Fair value through other comprehensive income	Total carrying value
Financial assets:				
Cash and cash equivalents	$ —	$ 106,052	$ —	$ 106,052
Trade accounts receivable	—	138,476		138,476
Financial liabilities:				
Bank indebtedness	—	(1,731)	—	(1,731)
Trade accounts payable and accrued liabilities	—	(172,115)	—	(172,115)
Long-term debt	—	(289,526)	—	(289,526)
Derivative instruments:				
Held for trading derivatives that are not designated in hedge accounting relationships – loss (i)	(259)	—	—	(259)
Derivative instruments in designated hedge accounting relationships – loss (i)	—	—	(3,029)	(3,029)

(i) Derivative financial instruments in a gain position are included in deposits, prepaids and other assets and derivative financial instruments in a loss position are included in accounts payable and accrued liabilities on the consolidated statements of financial position.
(ii) The cross-currency interest rate swap instrument in a loss position is included in accounts payable and accrued liabilities on the consolidated statements of financial position.

(ii) Fair value measurements: The following table summarizes the Company's financial instruments that are carried or disclosed at fair value and indicates the fair value hierarchy that reflects the significance of the inputs used in making the measurements:

As at					**March 31 2016**
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Fair value total**
Measured at fair value:					
Held for trading derivatives that are not designated in hedge accounting relationships	**$ 1,961**	**$ —**	**$ 1,961**	**$ —**	**$ 1,961**
Derivative instruments in designated hedge accounting relationships	**2,416**	**—**	**2,416**	**—**	**2,416**
Cross-currency interest rate swap	**(1,197)**	**—**	**(1,197)**	**—**	**(1,197)**
Disclosed at fair value:					
Investment property	**4,211**	**—**	**—**	**4,211**	**4,211**
Bank indebtedness	**(2,319)**	**—**	**(2,319)**	**—**	**(2,319)**
Long-term debt	**(321,379)**	**—**	**(321,379)**	**—**	**(321,379)**

As at					March 31 2015
	Carrying value	Level 1	Level 2	Level 3	Fair value total
Measured at fair value:					
Held for trading derivatives that are not designated in hedge accounting relationships	$ (259)	$ —	$ (259)	$ —	$ (259)
Derivative instruments in designated hedge accounting relationships	(3,029)	—	(3,029)	—	(3,029)
Disclosed at fair value:					
Investment property	3,880	—	—	3,880	3,880
Bank indebtedness	(1,731)	—	(1,731)	—	(1,731)
Long-term debt	(289,526)	—	(289,526)	—	(289,526)

The estimated fair values of cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable and accrued liabilities approximate their respective carrying values due to the short period to maturity. The estimated fair value of long-term debt approximates the carrying value due to interest rates approximating current market values.

Derivative financial instruments are carried at fair value. The fair value of the Company's derivative instruments is estimated using a discounted cash flow technique incorporating inputs that are observable in the market or can be derived from observable market data. The derivative contract counterparties are highly rated multinational financial institutions.

During the years ended March 31, 2016 and March 31, 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

(b) Risks arising from financial instruments and risk management

The Company manages its market risk through the use of various financial derivative instruments. The Company uses these instruments to mitigate exposure to fluctuations in foreign exchange rates. The Company's strategy, policies and controls are designed to ensure that the risks it assumes comply with the Company's internal objectives and its risk tolerance. The Company does not enter into derivative financial agreements for speculative purposes. As such, any change in cash flows associated with derivative instruments is designed to be offset by changes in cash flows of the relevant risk being hedged.

When appropriate the Company applies hedge accounting. Hedging does not guard against all risks and is not always effective. The Company may recognize financial losses as a result of volatility in the market values of these contracts. The fair values of these instruments represent the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The fair value of these derivatives is determined using valuation techniques such as discounted cash flow analysis. The valuation technique incorporates all factors that would be considered in setting a price, including the Company's own credit risk as well as the credit risk of the counterparty.

<u>Foreign currency risk</u>
The Company transacts business in multiple currencies, the most significant of which are the Canadian dollar, the U.S. dollar and the Euro. As a result, the Company has foreign currency exposure with respect to items denominated in foreign currencies which may have an impact on operating results and cash flows. The types of foreign exchange risk can be categorized as follows:

Translation exposure
Each foreign operation's assets and liabilities are translated from the subsidiary's functional currency into Canadian dollars using the exchange rates in effect at the consolidated statement of financial position dates. Unrealized translation gains and losses are deferred and included in accumulated other comprehensive income. The cumulative currency translation adjustments are recognized in income when there has been a reduction in the net investment in the foreign operations.

Foreign currency risks arising from the translation of assets and liabilities of foreign operations into the Company's functional currency are hedged under certain circumstances. The Company has assessed the net foreign currency exposure of operations relative to their own functional currency. A fluctuation of +/- 5% in the Euro and U.S. dollar, provided as an indicative range in a volatile currency environment, would, everything else being equal, have an effect on accumulated other comprehensive income for the year ended March 31, 2016 of approximately +/- $15,885 and $2,105, respectively (2015 +/- $23,733 and $16,242) and on income from continuing operations before income taxes for the year ended March 31, 2016 of approximately +/- $30 and $1,525, respectively (2015 +/- $138 and $677).

Foreign currency based earnings are translated into Canadian dollars each period at prevailing rates. As a result, fluctuations in the value of the Canadian dollar relative to these other currencies will impact reported net income.

(in thousands of Canadian dollars, except per share amounts)

Transaction exposure
The Company generates significant revenues in foreign currencies, which exceed the natural hedge provided by purchases of goods and services in those currencies. The Company's risk management objective is to reduce cash flow risk related to foreign-currency-denominated cash flows. In order to manage foreign currency exposure in subsidiaries which have transaction exposure in currencies other than the subsidiary's functional currency, the Company enters into forward foreign exchange contracts. The timing and amount of these forward foreign exchange contracts are estimated based on existing customer contracts on hand or anticipated, current conditions in the Company's markets and the Company's past experience. As such, there is not a material transaction exposure.

The Company's U.S.-dollar-denominated Senior Notes are translated into Canadian dollars at the foreign exchange rate in effect at the consolidated statement of financial position date. As a result, the Company is exposed to foreign currency translation gains and losses. The Company uses cross-currency interest rate swaps as derivative financial instruments to hedge a portion of its foreign exchange risk related to the Senior Notes. The balance of the Senior Notes is designated as a hedge of the U.S.-dollar-denominated net investment in foreign operations.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

In relation to its debt financing, the Company is exposed to changes in interest rates, which may impact the Company's borrowing costs. Floating rate debt exposes the Company to fluctuations in short-term interest rates. The Company manages interest rate risk on a portfolio basis and seeks financing terms in individual arrangements that are most advantageous taking into account all relevant factors, including credit margin, term and basis. The risk management objective is to minimize the potential for changes in interest rates to cause adverse changes in cash flows to the Company. As at March 31, 2016, $4,802 or 1% (March 31, 2015 - $287,722 or 99%) of the Company's total debt is subject to movements in floating interest rates. A +/- 1% change in interest rates in effect for the fiscal year would, all things being equal, have an impact of +/- $5 on income from continuing operations before income taxes for the year ended March 31, 2016 (March 31, 2015 +/- $2,877).

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist mainly of cash and cash equivalents, accounts receivable and derivative financial instruments. The carrying values of these assets represent management's assessment of the associated maximum exposure to such credit risk. Cash and cash equivalents held by major financial institutions. 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 a portion of these balances being covered through insurance purchased by the Company.

Trade receivables – aged by due date as at	**March 31 2016**	March 31 2015
Current	**$ 134,778**	$ 115,298
1 – 30 days	**33,322**	12,104
31 – 60 days	**6,178**	2,949
61 – 90 days	**3,267**	2,613
Over 90 days	**7,986**	7,801
Total	**$ 185,531**	$ 140,765

(in thousands of Canadian dollars, except per share amounts)

The movement in the Company's allowance for doubtful accounts for the years ended March 31 was as follows:

		2016		2015
Balance at April 1	$	2,289	$	3,785
Provisions and revisions		315		(1,487)
Foreign exchange		(71)		(9)
Balance at March 31	$	2,533	$	2,289

The Company minimizes credit risk associated with derivative financial instruments by only entering into derivative transactions with highly rated multinational financial institutions, in order to reduce the risk of counterparty default. The Company reviews counterparty credit ratings on a regular basis and sets credit limits when deemed necessary.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. The Company's process for managing liquidity risk includes ensuring, to the extent possible, that it will have sufficient liquidity to meet its liabilities when they become due. The Company requires authorizations for expenditures on projects and prepares annual capital expenditure budgets to assist with the management of capital. The Company's accounts payable primarily have contractual maturities of less than 90 days and the contractual cash flows equal their carrying value.

Trade payables – aged by due date as at		March 31 2016		March 31 2015
0 – 30 days	$	40,300	$	58,666
31 – 60 days		7,751		17,859
61 – 90 days		2,696		6,051
Over 90 days		4,221		4,965
Total	$	54,968	$	87,541

As at March 31, 2016, the Company was holding cash and cash equivalents of $170,034 (March 31, 2015 - $106,052) and had unutilized lines of credit of $638,712 (March 31, 2015 - $376,873). On June 17, 2015, the Company completed a private placement of U.S. $250,000 aggregate principal amount of senior notes as described in note 17 to the consolidated financial statements. The Company expects that continued cash flows from operations in fiscal 2017, together with cash and cash equivalents on hand and available credit facilities, will be more than sufficient to fund its requirements for investments in working capital, property, plant and equipment and strategic investments including some potential acquisitions, and that the Company's credit ratings provide reasonable access to capital markets to facilitate future debt issuance.

The Company's long-term debt obligations and scheduled interest payments are presented in note 17 to the consolidated financial statements.

(c) Hedge accounting and risk management contracts

Cash flow hedges – foreign currency risk of forecasted purchases and sales

The Company manages foreign exchange risk on its highly probable forecasted revenue and purchase transactions denominated in various foreign currencies. The Company has identified foreign exchange fluctuation risk as the hedged risk. To mitigate the risk, forward currency contracts are designated as the hedging instrument and are entered into to hedge a portion of the purchases and sales. The forward currency contracts limit the risk of variability in cash flows arising from foreign currency fluctuations. The Company has established a hedge ratio of 1:1 for all of its hedging relationships. The Company has identified counterparty credit risk as the only potential source of hedge ineffectiveness.

Cash flow hedges – foreign currency risk on foreign-currency-denominated Senior Notes

The Company uses cross-currency interest rate swaps as derivative financial instruments to hedge a portion of its foreign exchange risk related to its U.S.-dollar-denominated Senior Notes. On March 29, 2016, the Company entered into a cross-currency interest rate swap instrument to swap U.S. $150,000 into Canadian dollars. The Company will receive interest of 6.50% U.S. per annum and pay interest of 6.501% Canadian. The terms of the hedging relationship will end on June 15, 2023. The Company has established a hedge ratio of 1:1 for all of its hedging relationships. The Company has identified counterparty credit risk as the only potential source of hedge ineffectiveness.

(in thousands of Canadian dollars, except per share amounts)

During the years ended March 31, 2016 and March 31, 2015 there were no unrealized gains or losses recognized in selling, general and administrative expenses for the ineffective portion of cash flow hedges.

Hedge of Euro-denominated net investment in foreign operations
The Company manages foreign exchange risk on its Euro-denominated net investments. The Company uses a cross-currency interest rate swap as derivative financial instruments to hedge a portion of the foreign exchange risk related to its Euro-denominated net investment. On March 29, 2016, the Company entered into a cross-currency interest rate swap instrument to swap 134,084 Euro into Canadian dollars. The Company will receive interest of 6.501% Canadian per annum and pay interest of 5.094% Euro. The terms of the hedging relationship will end on June 15, 2023. The Company has established a hedge ratio of 1:1 for all of its hedging relationships. The Company has identified counterparty credit risk as the only potential source of hedge ineffectiveness.

The following table summarizes the Company's outstanding cash flow hedge positions to buy and sell foreign currencies under forward foreign exchange contracts and cross-currency interest rate swaps:

As at								**March 31, 2016**
					Hedging instrument	**Hedged item**	**Cash flow hedge reserves**	
			Carrying amount					
Currency sold	**Currency bought**	**Nominal amount (in CAD dollars)**	**Assets**	**Liabilities**	**Changes in fair value used for calculating hedge ineffectiveness for 2016**	**Changes in fair value used for calculating hedge ineffectiveness for 2016**	**For continuing hedges**	**For discontinued hedges**
Derivative hedging instruments [i]								
U.S. dollars	Canadian dollars	47,110	2,236	—	2,236	2,236	2,236	—
U.S. dollars	Euros	3,441	79	—	79	79	79	—
Euros	U.S. dollars	591	—	19	19	19	19	—
Euros	Canadian dollars	697	68	—	68	68	68	—
Chinese renminbi	Canadian dollars	241	5	—	5	5	5	—
British pounds	Canadian dollars	552	9	—	9	9	9	—
Canadian dollars	Euros	813	37	—	37	37	37	—
Cross-currency interest rate swap instruments [ii]								
U.S. dollars	Canadian dollars	194,805	51	—	51	51	51	—
Canadian dollars	Euros	198,136	—	1,248	1,248	1,248	1,248	—

(i) Derivative hedging instruments in a gain position are included in deposits, prepaids, and other assets and derivative hedging instruments in a loss position are included in accounts payable and accrued liabilities on the consolidated statements of financial position.
(ii) The cross-currency interest rate swap instrument in a loss position is included in accounts payable and accrued liabilities on the consolidated statements of financial position.

(in thousands of Canadian dollars, except per share amounts)

The following summarizes the Company's amounts included in other comprehensive income that relate to hedge accounting:

As at					**March 31, 2016**
Cash flow hedges	**Change in the value of the hedging instrument recognized in OCI gain / (loss)**	**Amount reclassified from the cash flow hedge reserve to profit or loss gain / (loss)**	**Hedge ineffectiveness recognized in profit or loss**	**Changes in fair value used for calculating hedge ineffectiveness for 2016**	**Line item affected in profit or loss because of the reclassification**
Foreign exchange risk:					
Revenue hedges	2,371	(4,170)	—	2,371	Revenues
Purchase hedges	45	33	—	45	Cost of revenues
Senior Notes hedge	(1,970)	—	—	(1,970)	Selling, general and administrative
Euro net investment hedge	(1,197)	—	—	(1,197)	Net finance costs

As at March 31, 2016, the Company is holding the following forward foreign exchange contracts to hedge the exposure on its revenues and purchases:

As at											**March 31, 2016**
		Less than 3 months		**3 to 6 months**		**6 to 9 months**		**9 to 12 months**		**1 to 2 years**	
Currency sold	**Currency bought**	**Nominal amount**	**Average hedged rate**	**Nominal amount**	**Average hedged rate**	**Nominal amount**	**Average hedged rate**	**Nominal amount**	**Average hedged rate**	**Nominal amount**	**Average hedged rate**
Revenue hedges											
U.S. dollars	Canadian dollars	15,032	1.3165	6,883	1.3454	7,792	1.3941	7,013	1.4077	10,390	1.3738
U.S. dollars	Euros	982	0.9033	1,900	0.8934	559	0.8905	—	—	—	—
Euros	U.S. dollars	591	1.1036	—	—	—	—	—	—	—	—
Euros	Canadian dollars	—	—	901	1.5087	37	1.6892	—	—	—	—
Chinese renminbi	Canadian dollars	241	0.2050	—	—	—	—	—	—	—	—
Purchase hedges											
British pounds	Canadian dollars	166	1.8302	121	1.8348	121	1.8375	106	1.8394	37	1.8409
Euros	Canadian dollars	1,054	1.3610	—	—	—	—	—	—	—	—

<u>Instruments not subject to hedge accounting</u>

As part of the Company's risk management strategy, forward contract derivative financial instruments are used to manage foreign currency exposure related to the translation of foreign currency net assets to the subsidiary's functional currency. As these instruments have not been designated as hedges, the change in fair value is recorded in selling, general and administrative expenses in the consolidated statements of income.

For the year ended March 31, 2016, the Company recorded risk management gains of $3,765 (gains of $3,889 for the year ended March 31, 2015) on foreign currency risk management forward contracts in the consolidated statements of income. Included in these amounts were unrealized gains of $1,961 (losses of $259 during the year ended March 31, 2015) representing the change in fair value. In addition, during the year ended March 31, 2016, the Company realized gains in foreign exchange of $1,804 (gains of $4,148 during the year ended March 31, 2015), which were settled.

(in thousands of Canadian dollars, except per share amounts)

15. PROVISIONS

		Warranty		Restructuring		Executive transition expenses		Other		Total
Balance, at March 31, 2014	$	6,832	$	1,735	$	—	$	1,845	$	10,412
Provisions made		5,093		1,684		—		5,635		12,412
Acquisition of a subsidiary		254		—		—		—		254
Provisions reversed		(1,534)		—		—		(502)		(2,036)
Provisions used		(2,879)		(2,025)		—		(5,774)		(10,678)
Exchange adjustments		(64)		25		—		94		55
Balance, at March 31, 2015	$	7,702	$	1,419	$	—	$	1,298	$	10,419
Provisions made		6,292		9,681		4,976		11,516		32,465
Provisions reversed		(2,108)		—		—		—		(2,108)
Provisions used		(3,962)		(9,251)		—		(7,822)		(21,035)
Exchange adjustments		295		220		—		11		526
Balance, at March 31, 2016	**$**	**8,219**	**$**	**2,069**	**$**	**4,976**	**$**	**5,003**	**$**	**20,267**

Warranty provisions

Warranty provisions are related to sales of products and are based on experience reflecting statistical trends of warranty costs.

Restructuring

Restructuring charges are recognized in the period incurred and when the criteria for provisions are fulfilled. Termination benefits are recognized as a liability and an expense when the Company is demonstrably committed through a formal restructuring plan.

Executive transition expenses

Further details of the executive transition expenses are provided in note 26.

16. EMPLOYEE BENEFITS

The Company operates pension plans for certain of its employees through defined contribution plans, defined benefit plans and other long-term employee benefit plans. The costs associated with defined contribution plans are expensed as incurred. The most recent actuarial valuations of the defined benefit plans and other long-term employee benefit plans were completed as at March 31, 2016. The next valuations are scheduled to be as at March 31, 2017.

The changes in the fair value of assets, the employee benefit obligation and the funded status were as follows:

As at		**March 31 2016**		March 31 2015
Accrued benefit obligations:				
Opening balance	**$**	**26,868**	$	33,371
Acquisition of a subsidiary		**—**		1,313
Interest cost		**601**		1,058
Service cost		**1,571**		2,081
Assumption changes		**(1,211)**		4,095
Contributions		**—**		387
Transfers and benefits paid		**(797)**		(970)
Insurance premiums		**—**		(207)
Executive transition expenses[i]		**2,089**		—
Foreign exchange		**1,618**		(1,393)
Accrued benefit obligations associated with assets held for sale		**—**		(12,867)
Accrued benefit obligations, ending balance	**$**	**30,739**	$	26,868

(in thousands of Canadian dollars, except per share amounts)

	2016	2015
Plan assets:		
Opening balance	**$ 2,091**	$ 10,158
Interest income included in net interest expense	**70**	328
Company contributions	**206**	564
Employee contributions	**—**	387
Transfers and benefits paid	**—**	(213)
Insurance premiums	**—**	(207)
Foreign exchange	**120**	226
Plan assets associated with assets held for sale	**—**	(9,152)
Plan assets, ending balance	**$ 2,487**	$ 2,091
Employee benefits liability	**$ 28,252**	$ 24,777

(i) Further details of the executive transition expenses are provided in note 26.

Amounts recognized in the consolidated statements of comprehensive income (before tax) were:

As at	**March 31 2016**	March 31 2015
Total actuarial gains (losses) recognized in OCI	**$ 1,099**	$ (4,245)

The significant weighted average annual actuarial assumptions used in measuring the accrued benefit obligation were:

	March 31 2016	March 31 2015
Discount rate	**2.5%**	1.7%
Rate of compensation increase	**2.5%**	2.1%

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and life expectancy. The sensitivity analyses have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

As at March 31, 2016, the following quantitative analysis shows changes to the significant actuarial assumptions and the corresponding impact to the accrued benefit obligations:

	Discount rate		**Life expectancy**	
	1% increase	**1% decrease**	**Increase by 1 year**	**Decrease by 1 year**
Accrued benefit obligations	**$ (3,840)**	**$ 4,794**	**$ 977**	**$ (966)**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The weighted average allocations of plan assets were:

As at	**March 31 2016**	March 31 2015
Equity securities	**0.0%**	10.9%
Debt securities	**0.0%**	40.9%
Real estate	**0.0%**	22.8%
Other	**100.0%**	25.4%

The fair values of equity securities and debt securities plan assets are determined based on generally quoted market prices in active markets. The fair value of real estate plan assets is valued based on appraisals performed by a qualified external real estate appraiser.

(in thousands of Canadian dollars, except per share amounts)

No plan assets were directly invested in the Company's securities.

The net employee benefits expense included the following components:

Years ended		**March 31 2016**		March 31 2015
Defined benefit plans				
Service cost	**$**	**1,571**	$	1,949
Interest cost		**601**		873
Executive transition expenses		**2,089**		—
		4,261		2,822
Defined contribution plans		**3,513**		2,600
Net employee benefits expense	**$**	**7,774**	$	5,422

The Company expects to contribute $206 to its defined benefit plans during the year ended March 31, 2016.

The cumulative actuarial losses, net of income taxes, recognized as other comprehensive income as at March 31, 2016 was $4,876 (March 31, 2015 - $5,658).

17. BANK INDEBTEDNESS AND LONG-TERM DEBT

On June 17, 2015, the Company completed a private placement of U.S. $250,000 aggregate principal amount of senior notes (the "Senior Notes"). Transaction fees of $7,200 were deferred and will be amortized over the term of the Senior Notes. The Senior Notes are unsecured, were issued at par, bear interest at a rate of 6.50% per annum and mature on June 15, 2023. ATS used the majority of net proceeds from the Senior Notes to repay amounts outstanding under its senior secured credit facility, with the balance to be used for general corporate purposes. The Company may redeem the Senior Notes, in whole at any time or in part from time to time, at specified redemption prices and subject to certain conditions required by the Senior Notes. If the Company experiences a change of control, the Company may be required to repurchase the Senior Notes, in whole or in part, at a purchase price equal to 101% of the aggregate principal amount of the Senior Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Senior Notes contain customary covenants that restrict, subject to certain exceptions and thresholds, some of the activities of the Company and its subsidiaries, including the Company's ability to dispose of assets, incur additional debt, pay dividends, create liens, make investments, and engage in specified transactions with affiliates. Subject to certain exceptions, the Senior Notes are guaranteed by each of the subsidiaries of the Company that is a borrower or has guaranteed obligations under the Credit Facility. On March 29, 2016, the Company entered into cross-currency interest rate swap instruments to swap U.S. $150,000 into Euros. The details of this instrument are presented in note 14 to the consolidated financial statements.

The Company's senior secured credit facility (the "Credit Facility") provides a committed revolving credit facility of $750,000. The Credit Facility is secured by (i) the Company's assets, including real estate; (ii) assets, including certain real estate, of certain of the Company's North American subsidiaries; and (iii) a pledge of shares of certain of the Company's non-North American subsidiaries. Certain of the Company's subsidiaries also provide guarantees under the Credit Facility. At March 31, 2016, the Company had utilized $115,053 under the Credit Facility, by way of letters of credit (March 31, 2015 - $290,000 classified as long-term debt and $85,018 by way of letters of credit). The Credit Facility matures on August 29, 2018.

The Credit Facility is available in Canadian dollars by way of prime rate advances and/or bankers' acceptances, in U.S. dollars by way of base rate advances and/or LIBOR advances, in Swiss francs, Euros and British pounds sterling by way of LIBOR advances and by way of letters of credit for certain purposes in Canadian dollars, U.S. dollars and Euros. The interest rates applicable to the Credit Facility are determined based on a debt to EBITDA ratio as defined in the Credit Facility. 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.

(in thousands of Canadian dollars, except per share amounts)

dollar base rate in Canada, respectively, plus a margin ranging from 0.45% to 2.00%. For bankers' acceptances and LIBOR advances, the interest rate is equal to the bankers' acceptance fee or the LIBOR, respectively, plus a margin that varies from 1.45% to 3.00%. The Company pays a fee for usage of financial letters of credit which ranges from 1.45% to 3.00% and a fee for usage of non-financial letters of credit which ranges from 0.97% to 2.00%. The Company pays a standby fee on the unadvanced portions of the amounts available for advance or draw-down under the Credit Facility at rates ranging from 0.29% to 0.68%.

The Credit Facility is subject to a debt to EBITDA test and an interest coverage test. Under the terms of the Credit Facility, the Company is restricted from encumbering any assets with certain permitted exceptions. The Credit Facility also limits advances to subsidiaries and partially restricts the Company from repurchasing its common shares and paying dividends. At March 31, 2016, all of the covenants were met.

The Company has additional credit facilities available of $12,692 (3,649 Euro, 275,000 Indian Rupees, 50,000 Thai Baht and 1,084 Czech Koruna). The total amount outstanding on these facilities was $9,396, of which $2,319 was classified as bank indebtedness (March 31, 2015 - $1,731) and $7,077 was classified as long-term debt (March 31, 2015 - $4,908). The interest rates applicable to the credit facilities range from 1.66% to 10.00% per annum. A portion of the long-term debt is secured by certain assets of the Company. The 275,000 Indian Rupees and the 50,000 Thai Baht credit facilities are secured by letters of credit under the Credit Facility.

(i) Bank indebtedness

As at	**March 31 2016**	March 31 2015
Other facilities	**$ 2,319**	$ 1,731

(ii) Long-term debt

As at	**March 31 2016**	March 31 2015
Credit Facility	**$ —**	$ 290,000
Senior Notes	**324,675**	—
Other facilities	**7,077**	4,908
Issuance costs	**(10,373)**	(5,382)
	321,379	289,526
Less: current portion	**5,259**	3,372
	$ 316,120	$ 286,154

Scheduled principal repayments and interest payments on long-term debt as at March 31, 2016 are as follows:

	Principal	**Interest**
Less than one year	$ 5,259	$ 21,187
One – two years	487	21,178
Two – three years	428	21,179
Three – four years	452	21,155
Four – five years	249	21,133
Thereafter	314,504	47,502
	$ 321,379	$ 153,334

18. SHARE CAPITAL

Authorized share capital of the Company consists of an unlimited number of common shares, without par value, for unlimited consideration.

On November 4, 2015, the Company announced its intention to implement a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 4,600,000 common shares before November 5, 2016. As at March 31, 2016, the Company had purchased 481,473 common shares for $6,032 under the NCIB program. All purchases are made in accordance with the bid at prevalent market prices plus brokerage fees, or such other prices that may be permitted by the Toronto Stock Exchange, with consideration allocated to share capital up to the average carrying amount of the shares, and any excess allocated to retained earnings. The weighted average price per share repurchased in the year ended March 31, 2016 was $12.45.

(in thousands of Canadian dollars, except per share amounts)

The changes in the common shares issued, repurchased and outstanding during the period presented were as follows:

	Number of common shares		Share capital
Balance, at March 31, 2014	90,793,547	$	510,725
Exercise of stock options	836,118		8,393
Balance, at March 31, 2015	91,629,665	$	519,118
Exercise of stock options	1,145,167		11,807
Repurchase of common shares	(481,473)		(2,741)
Balance, at March 31, 2016	**92,293,359**	**$**	**528,184**

19. TAXATION

(i) Reconciliation of income taxes: Income tax expense differs from the amounts which would be obtained by applying the combined Canadian basic federal and provincial income tax rate to income before income taxes. These differences result from the following items:

Years ended		**March 31 2016**		March 31 2015
Income from continuing operations before income taxes and non-controlling interest	**$**	**50,105**	$	55,060
Combined Canadian basic federal and provincial income tax rate		**26.50%**		26.50%
Income tax expense based on combined Canadian basic federal and provincial income tax rate	**$**	**13,278**	$	14,591
Increase (decrease) in income taxes resulting from:				
Adjustments in respect to current income tax of previous periods		**941**		862
Non-taxable income net of non-deductible expenses		**(1,166)**		1,695
Recognition/use of previously unrecognized assets		**(1,502)**		(1,797)
Income taxed at different rates and statutory rate changes		**(677)**		1,368
Manufacturing and processing allowance and all other items		**(367)**		(557)
At the effective income tax rate of 21.0% (2015 – 29.4%)	**$**	**10,507**	$	16,162
Income tax expense reported in the consolidated statements of income:				
Current tax expense	**$**	**10,739**	$	15,160
Deferred tax expense		**(232)**		1,002
	$	**10,507**	$	16,162
Deferred tax related to items charged or credited directly to equity:				
Net gain (loss) on revaluation of cash flow hedges	**$**	**(1,391)**	$	545
Other items recognized through equity		**(3,389)**		5,032
Income tax charged directly to equity	**$**	**(4,780)**	$	5,577

(in thousands of Canadian dollars, except per share amounts)

(ii) Components of deferred income tax assets and liabilities: Deferred income taxes are provided for the differences between accounting and tax bases of assets and liabilities. Deferred income tax assets and liabilities are comprised of the following:

As at		March 31 2016		March 31 2015
Accounting income not currently taxable	**$**	**(27,363)**	$	(32,895)
Intangibles		**(34,873)**		(37,301)
Investment tax credits taxable in future years when utilized		**(9,111)**		(8,250)
Loss available for offset against future taxable income		**7,007**		5,258
Property, plant and equipment		**(1,546)**		2,549
Scientific research and experimental development expenditures available for offset against future taxable income		**22,328**		26,809
Other		**6,352**		8,017
Net deferred income tax liability	**$**	**(37,206)**	$	(35,813)

Presented as:		March 31 2016		March 31 2015
Deferred income tax asset	**$**	**2,534**	$	5,057
Deferred income tax liability		**(39,740)**		(40,870)
Net deferred income tax liability	**$**	**(37,206)**	$	(35,813)

(iii) Unrecognized deferred income tax assets: Deferred income tax assets have not been recognized in respect of the following items (gross amount):

As at		March 31 2016		March 31 2015
Deductible temporary differences	**$**	**541**	$	1,732
Loss available for offset against future taxable income		**56,173**		53,903
	$	**56,714**	$	55,635

Loss carryforwards: As at March 31, 2016, the Company has the following net operating loss carryforwards which are scheduled to expire in the following years:

Year of expiry		Non-Canadian		Canadian
2020 – 2024	**$**	**4,035**	**$**	**—**
2025 – 2029		**686**		**6,233**
2030 – 2035		**—**		**43,358**
No expiry		**21,519**		**—**
	$	**26,240**	**$**	**49,591**

In addition, the Company has U.S. Federal and State capital loss carryforwards of U.S. $13,456 (March 31, 2015 - U.S. $13,456) and Canadian capital loss carryforwards of $282,720 (March 31, 2015 - $243,375) which do not expire.

Investment Tax Credits: As at March 31, 2016, the Company has investment tax credits available to be applied against future taxes payable in Canada of approximately $49,106 and in foreign jurisdictions of approximately $11,848. The investment tax credits are scheduled to expire as follows:

Year of expiry		Gross ITC balance
2025 – 2029	$	23,774
2030 – 2034		22,537
2035 – 2036		14,643
	$	60,954

The benefit of $43,683 (March 31, 2015 - $33,107) of these investment tax credits have been recognized in the consolidated financial statements. Unrecognized investment tax credits are scheduled to expire between 2028 and 2036.

(iv) The Company has determined that as of the reporting date, undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

(v) There are temporary differences of $86,350 associated with investments in subsidiaries for which no deferred income tax liability has been recognized.

(vi) There are no income tax consequences attached to the payment of dividends in either 2016 or 2015 by the Company to its shareholders.

20. STOCK-BASED COMPENSATION

Employee Share Purchase Plan: Under the terms of the Company's Employee Share Purchase Plan, qualifying employees of the Company may set aside funds through payroll deductions for an amount up to a maximum of 10% of their base salary or $10,000 in any one calendar year. Subject to the member not making withdrawals from the plan, the Company makes contributions to the plan equal to 20% of a member's contribution to the plan during the year, up to a maximum of 1% of the member's salary or $2,000. Shares for the plan may be issued from treasury or purchased in the market as determined by the Company's Board of Directors. During the years ended March 31, 2016 and March 31, 2015, no shares were issued from treasury related to the plan.

Deferred Stock Unit Plan: The Company offers a Deferred Stock Unit Plan ("DSU Plan") for members of the Board of Directors. Under the DSU Plan, each non-employee director may elect to receive all or a portion of his or her annual compensation in the form of notional common shares of the Company called deferred stock units ("DSUs"). The issue and redemption prices of each DSU are based on a five-day volume weighted average trading price of the Company's common shares for the five trading days prior to issuance or redemption. Under the terms of the DSU Plan, directors are not entitled to convert DSUs into cash until retirement from the Board of Directors. The value of each DSU, when converted to cash, will be equal to the market value of a common share of the Company at the time the conversion takes place. As at March 31, 2016, the value of the outstanding liability related to the DSUs was $3,932 (2015 - $4,632). The DSU liability is revalued at each reporting date based on the change in the Company's stock price. The change in the value of the DSU liability is included in the consolidated statements of income in the period of the change.

Stock Option Plan: The Company uses a stock option plan to attract and retain key employees, officers and directors. Under the Company's 1995 Stock Option plan (the "1995 Plan"), the shareholders have approved a maximum of 5,991,839 common shares for issuance, with the maximum reserved for issuance to any one person at 5% of the common shares outstanding at the time of the grant. Time vested stock options vest over four-year periods. Performance-based stock options vest based on the Company's stock trading at or above a threshold for a specified number of minimum trading days in a fiscal quarter. For time vested stock options, the exercise price is the price of the Company's common shares on the Toronto Stock Exchange at closing for the day prior to the date of the grant. For performance-based stock options, the exercise price is either the price of the Company's common shares on the Toronto Stock Exchange at closing for the day prior to the date of the grant or the five-day volume weighted average price of the Company's common shares on the Toronto Stock Exchange prior to the date of the grant. Stock options granted under the 1995 Plan may be exercised during periods not exceeding seven years from the date of grant, subject to earlier termination upon the option holder ceasing to be a director, officer or employee of the Company. Stock options issued under the 1995 Plan are non-transferable. Any stock option granted which is cancelled or terminated for any reason prior to exercise is returned to the pool and becomes available for future stock option grants. In the event that the stock option would otherwise expire during a restricted trading period, the expiry date of the stock option is extended to the 10th business day following the date of expiry of such period. In addition, the 1995 Plan restricts the grant of stock options to insiders that may be under the 1995 Plan.

Under the Company's 2006 Stock Option plan (the "2006 Plan"), the shareholders have approved a maximum of 5,159,000 common shares for issuance. The terms of the 2006 Plan are identical to those of the 1995 plan, except that the maximum number of common shares to be issued pursuant to the issue of options under the 2006 Plan is 5,159,000 common shares.

(in thousands of Canadian dollars, except per share amounts)

As at March 31, 2016, there are a total of 2,834,199 common shares remaining for future stock option grants under both plans (March 31, 2015 – 3,491,949).

Years ended March 31	**2016**			2015		
	Number of stock options		**Weighted average exercise price**	Number of stock options		Weighted average exercise price
Stock options outstanding, beginning of year	**4,221,283**	**$**	**10.10**	4,421,876	$	8.81
Granted	**793,500**		**15.63**	684,700		14.68
Exercised [(i)]	**(1,145,167)**		**7.59**	(836,118)		7.08
Forfeited/cancelled	**(435,750)**		**14.28**	(49,175)		9.30
Stock options outstanding, end of year	**3,433,866**	**$**	**11.68**	4,221,283	$	10.10
Stock options exercisable, end of year, time vested options	**776,925**	**$**	**9.88**	1,149,000	$	7.62
Stock options exercisable, end of year, performance based options	**1,305,791**	**$**	**10.25**	1,685,333	$	9.89

(i) For the year ended March 31, 2016, the weighted average share price at the date of exercise was $14.76 (March 31, 2015 – $14.63).

As at March 31, 2016	**Stock options outstanding**				**Stock options exercisable**		
Range of Exercise prices	**Number outstanding**	**Weighted average remaining contractual life**		**Weighted average exercise price**	**Number exercisable**		**Weighted average exercise price**
$6.34 to 10.00	867,917	2.74 years	$	8.17	776,917	$	8.09
$10.01 to 12.50	1,123,083	4.18 years		10.61	944,833		10.58
$12.51 to 14.00	366,666	4.81 years		13.06	241,666		12.97
$14.01 to 15.83	1,076,200	6.00 years		15.28	106,175		14.37
$6.34 to 15.83	3,433,866	4.45 years	$	11.72	2,069,591	$	10.12

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. Upon the Company's stock price trading at or above a stock price performance threshold for a specified minimum number of trading days, the options vest. When the performance-based stock 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.

The fair values of the Company's stock options issued during the periods presented were estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions. Expected stock price volatility was determined at the time of the grant by considering historical share price volatility. Expected stock option grant life was determined at the time of the grant by considering the average of the grant vesting period and the grant exercise period.

Years ended March 31		**2016**		2015
Weighted average risk-free interest rate		**0.90%**		1.49%
Dividend yield		**0%**		0%
Weighted average expected volatility		**29%**		31%
Weighted average expected life		**4.75 years**		4.75 years
Number of stock options granted:				
Time vested		**793,500**		684,700
Weighted average exercise price per option	**$**	**15.63**	$	14.68
Weighted average value per option:				
Time vested	**$**	**4.05**	$	4.22

(in thousands of Canadian dollars, except per share amounts)

Share Appreciation Rights

During the year ended March 31, 2016 the Company did not grant any share appreciation rights ("SARs") (none in the year ended March 31, 2015). The fair values of the Company's unvested SARs are measured at each reporting date using the Black-Scholes option pricing model with the following weighted average assumptions. Expected stock price volatility was determined by considering historical share price volatility. The expected SARs grant life was determined by considering the average of the estimated grant vesting period and the grant expected life.

Years ended March 31		**2016**		2015
Weighted average risk-free interest rate		**0.49%**		0.53%
Dividend yield		**0%**		0%
Weighted average expected volatility		**29%**		28%
Weighted average expected life		**2.59 years**		3.28 years
Weighted average exercise price per SAR	**$**	**8.87**	$	8.87
Weighted average value per SAR	**$**	**2.58**	$	5.41

The Company has recorded a liability of $200 as at March 31, 2016 (March 31, 2015 - $302) based on the fair value of the SARs. The market value of a common share of the Company as at March 31, 2016 was $10.59 (March 31, 2015 - $13.58). During the year ended March 31, 2016, 39,375 SARs vested (539,375 in the year ended March 31, 2015).

Restricted Share Unit Plan

During the year ended March 31, 2016, the Company granted 89,250 time vesting restricted share units ("RSUs") (82,140 in the year ended March 31, 2015). The RSUs give the employee the right to receive a cash payment equal to the market value of a common share of the Company. During the year ended March 31, 2016, the Company granted 103,000 performance-based RSUs (85,677 in the year ended March 31, 2015). The performance-based RSUs vest upon successful achievement of certain operational and share price targets. The performance-based RSUs give the employee the right to receive a cash payment based on the market value of a common share of the Company. The weighted average remaining vesting period for the time vesting RSUs and performance-based RSUs is 1.2 years. The RSU liability is recognized quarterly based on the expired portion of the vesting period and the change in the Company's stock price. At March 31, 2016, the value of the outstanding liability related to the RSU plan was $1,572 (March 31, 2015 - $2,223).

21. COMMITMENTS AND CONTINGENCIES

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

		Operating leases		**Purchase obligations**
Less than one year	$	10,080	$	91,453
One – two years		7,995		577
Two – three years		6,868		145
Three – four years		6,053		145
Four – five years		5,609		36
Due in over five years		4,473		—
	$	41,078	$	92,356

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 commitments for materials purchases.

(in thousands of Canadian dollars, except per share amounts)

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 letters of credit as security for advances received from customers pending delivery and contract performance. In addition, the Company provides letters of credit for post-retirement obligations and may provide letters of credit as security on equipment under lease and on order. As at March 31, 2016, the total value of outstanding letters of credit was approximately $136,991 (March 31, 2015 - $117,989).

In the normal course of operations, the Company is party to a number of lawsuits, claims and contingencies. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, the Company does not believe that the ultimate outcome of these matters will have a material impact on its consolidated financial position.

22. SEGMENTED DISCLOSURE

The Company's operations are reported as one operating segment, Automation Systems, which plans, allocates resources, builds capabilities and implements best practices on a global basis.

Geographic segmentation of revenues is determined based on the customer's installation site. Non-current assets represent property, plant and equipment and intangible assets that are attributable to individual geographic segments, based on location of the respective operations.

As at		**March 31, 2016**
	Property, plant and equipment	**Intangible assets**
Canada	**$ 23,087**	**$ 9,000**
United States	**17,434**	**25,703**
Germany	**26,192**	**141,730**
China	**1,082**	**54**
Other Europe	**712**	**312**
Asia-Pacific and other	**2,553**	**266**
Total Company	**$ 71,060**	**$ 177,065**

As at		March 31, 2015
	Property, plant and equipment	Intangible assets
Canada	$ 23,551	$ 9,893
United States	26,350	5,766
Germany	23,346	167,474
China	1,212	53
Other Europe	6,752	100
Asia-Pacific and other	2,690	324
Total Company	$ 83,901	$ 183,610

Revenues from external customers for the years ended	**March 31 2016**	March 31 2015
Canada	**$ 76,498**	$ 58,414
United States and Mexico	**380,455**	392,039
Germany	**204,292**	164,966
China	**105,895**	85,557
Other Europe	**189,800**	165,091
Asia-Pacific and other	**82,700**	70,010
Total Company	**$ 1,039,640**	$ 936,077

For the years ended March 31, 2016 and March 31, 2015, the Company did not have revenues from any single customer which amounted to 10% or more of total consolidated revenues.

(in thousands of Canadian dollars, except per share amounts)

23. NET FINANCE COSTS

Years ended		**March 31 2016**		March 31 2015
Interest expense	**$**	**26,835**	$	12,080
Interest income		**(183)**		(149)
	$	**26,652**	$	11,931

24. EARNINGS PER SHARE

Years ended	**March 31 2016**	March 31 2015
Weighted average number of common shares outstanding	**92,184,870**	91,164,938
Dilutive effect of stock option conversion	**478,441**	1,145,338
Diluted weighted average number of common shares outstanding	**92,663,311**	92,310,276

For the year ended March 31, 2016, stock options to purchase 1,276,200 common shares are excluded from the weighted average number of common shares in the calculation of diluted earnings per share as they are anti-dilutive (834,700 common shares were excluded for the year ended March 31, 2015).

25. CAPITAL MANAGEMENT

The Company's capital management framework is designed to ensure the Company has adequate liquidity, financial resources and borrowing capacity to allow financial flexibility and to provide an adequate return to shareholders. The Company defines capital as the aggregate of equity (excluding accumulated other comprehensive income), bank indebtedness, long-term debt and cash and cash equivalents.

The Company monitors capital using the ratio of total debt to equity. Total debt includes bank indebtedness, and long-term debt as shown on the consolidated statements of financial position. Net debt consists of cash and cash equivalents less total debt. Equity includes all components of equity, less accumulated other comprehensive income. This is unchanged from the previous year. The Company also monitors an externally imposed covenant of debt to EBITDA of not greater than 3 to 1. EBITDA includes net income from continuing operations less income taxes, net finance charges, depreciation and amortization. For the years ended March 31, 2016 and March 31, 2015, the Company operated with a ratio below the externally imposed covenant. The Company is prepared to increase the total debt to equity ratio and net debt to EBITDA ratio if appropriate opportunities arise.

The capital management criteria can be illustrated as follows:

As at		**March 31 2016**		March 31 2015
Equity excluding accumulated other comprehensive income	**$**	**582,234**	$	537,298
Long-term debt		**321,379**		289,526
Bank indebtedness		**2,319**		1,731
Cash and cash equivalents		**(170,034)**		(106,052)
Capital under management	**$**	**735,898**	$	722,503
Debt to equity ratio		**0.56:1**		0.54:1

(in thousands of Canadian dollars, except per share amounts)

26. RELATED PARTY DISCLOSURE

Transactions between each subsidiary and the subsidiaries and parent are eliminated on consolidation.

On April 1, 2014, the Company entered into an agreement with a shareholder, Mason Capital Management, LLC ("Mason Capital"), pursuant to which Mason Capital agreed to provide ATS with ongoing strategic and capital markets advisory services for an annual fee of U.S. $500. As part of the agreement, members of the Company's Board of Directors who are associated with Mason Capital have waived any fees to which they may have otherwise been entitled for serving as members of the Board of Directors or as members of any committee of the Board of Directors.

The remuneration of the Board of Directors and key management personnel is determined by the Board of Directors on recommendation from the Human Resources Committee of the Board:

As at		**March 31 2016**		March 31 2015
Salaries and benefits	**$**	**1,927**	$	2,599
Other non-equity incentive compensation		**1,126**		4,098
Fees		**655**		414
Stock-based compensation		**593**		1,918
Post-retirement benefits		**986**		986
Executive transition expenses (i)		**7,065**		—
Total remuneration	**$**	**12,352**	$	10,015

Stock-based compensation represents the remuneration of the Board of Directors and of key management personnel and is reported in the consolidated statements of income as stock-based compensation expense.

(i) In March 2016, the Company announced that Anthony Caputo, the Chief Executive Officer of the Company, will be leaving the Company in February 2017. In connection with this, the CEO and the Company have entered into a transition agreement in accordance with which the CEO will receive a lump sum payment estimated at $4,976, which encompasses bonus entitlement for fiscal 2017, and a portion of which is subject to change based on the date the transition is completed, and the Company will incur $2,089 of post-employment benefit expenses related to an additional two years of credited service towards the CEO's pension entitlement.