

AN ATS COMPANY

 **Photowatt**<sup>TM</sup>  
SOLAR SOLUTIONS MADE IN **ONTARIO**

Opportunity Overview  
Winter 2011



**MARATHON CAPITAL**

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### *Forward Looking Statements*

This Overview contains certain statements that constitute forward-looking information within the meaning of applicable securities laws (“forward-looking statements”). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of ATS or PWO, or developments in ATS’s or PWO’s business or in their respective industries, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. ATS cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things: contemplated sale of PWO; volumes to be supplied under certain MMAs; a take-out arrangement currently under negotiation; expected timing of reaching NTP; cash flows and operating income; Ontario solar market; and conversion costs. The risks and uncertainties that may affect forward-looking statements include those detailed from time to time in ATS’s filings with Canadian provincial securities regulators including ATS’ Annual Report and Annual Information Form for the fiscal year ended March 31, 2011. Forward-looking statements are based on management’s current plans, estimates, projections, beliefs and opinions, and other than as required by applicable securities laws, ATS does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.

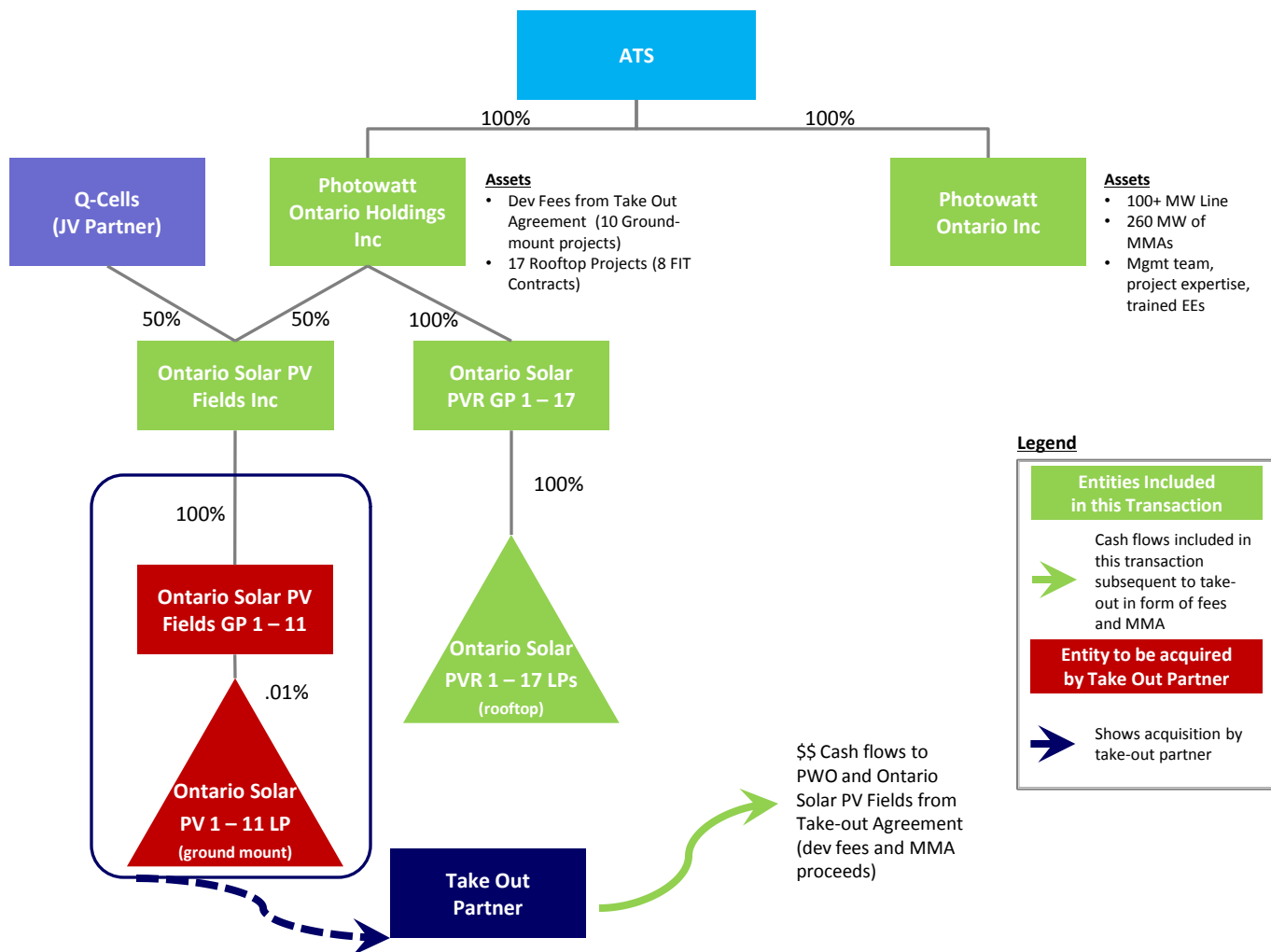
## Transaction Introduction

As a result of a decision to focus on its core automation business, ATS Automation Tooling Systems Inc. (“ATS”) recently announced plans to divest its solar businesses and their related assets. To this end, ATS retained Marathon Capital to identify potential buyers for its wholly owned subsidiaries, Photowatt Ontario Inc. and Photowatt Ontario Holdings Inc. (“PHI”), collectively “PWO” or “Photowatt Ontario”.

The contemplated transaction involves the sale of all ATS’ interests in PWO, and includes, *inter alia*, (1) a state-of-the-art 100+ MW solar module manufacturing line, (2) 260 MW-DC of module manufacturing agreements (“MMAs”), 75 MW of which are tied to a take-out arrangement currently under late-stage negotiations in respect of 7 OPA FIT-contracted, ground-mount projects (the “Ground Mount Projects”), and 184 MWs from 2 other OEM MMAs, (3) development fees from Photowatt Ontario’s 50% equity interest in Ontario Solar PV Fields Holdings (“OSPVH”) subsequent to the aforementioned take-out arrangement, and (4) 100% of Ontario Solar PVR, which owns 17 rooftop solar projects (“Rooftop Projects”). A diagram of the proposed transaction and cash flows is depicted in the chart below.

This transaction is separate and distinct from the restructuring of ATS’ French subsidiary known as Photowatt France, with respect to which PWO has no affiliation other than the common ownership by ATS.

## Organization and Transaction Structure



## Asset Highlights

### Photowatt Ontario Inc.

#### ❖ 100+ MW Solar Manufacturing Operation

- PWO has 2 existing MMAs in place and is in late-stage negotiations for a third, 75 MW-DC MMA, as part of the take out arrangement for the Ground Mount Projects.
  - 24 MW-DC over 24 months with OEM #1
  - 160 MW-DC over 48 months with OEM #2
  - 75 MW-DC over 24 months with take-out partner
- 100+ MW, State-of-the-Art, Continuous Production Line with low-cost expansion capability; showcases ATS' automation capabilities & produces reliable, high-quality, high-yield modules
- Constructed by ATS in 2010/11
- Experienced management team that has taken the facility through startup and shakeout phase, incorporating best practices from global manufacturing and solar industries
- Production line designed for bill of materials ("BOM") flexibility, 60-cell to 72-cell panel flexibility, and highly efficient manufacturing to meet Ontario and other North American market needs
- Competitive conversion costs for panels
- Housed at ATS Automation's campus in Cambridge, Ontario, with lease and transition services available post transaction
- Production meets local Ontario content requirement and provides geographic proximity to important U.S. market
- All NA certifications in place; ISO certified; extensive 3<sup>rd</sup> party audits and testing by customers, suppliers, certification engineers and insurance companies



String inspection at the Photowatt Ontario facility in Cambridge, ON.

### Photowatt Ontario Holdings Inc

- ❖ Ontario Solar PV Fields Inc, 50% Ownership with Q-Cells as the other 50% JV partner
  - Ontario Solar PV Fields Inc, together with JV partner own 100% of LPs that owns 10 distinct ground-mount solar PV projects
  - 7 of the projects have received their OPA FIT contracts (64 MW-AC or 75 MW-DC) from the OPA; 3 of the projects (30 MW-DC) are in ECT
  - Expect NTP for 3 of the 7 FIT-contracted projects (28 MW) in the Spring 2012, with the remaining FIT-contracted projects (47 MW) expected to reach NTP throughout balance of 2012
  - Currently negotiating definitive Purchase and Sale Agreement for the LPs that own the 10 Ground Mount Projects (the "Take-out Agreement")
  - Contemplated Take-out Agreement Economics <sup>1</sup>
    - Take-out partner will buy all of their modules from Photowatt Ontario with cells supplied by Q-Cells, i.e., 75 MW-DC MMA over 24 months, with 30MW-DC of ECT Contracts upside
    - Development fee paid to Ontario Solar PV Fields, with the total proceeds split equally between the JV partners
- ❖ Ontario Solar PV Rooftop
  - 17 rooftop projects (8 OPA FIT contracts (~1 MW))
  - Strong funnel of additional rooftop projects with EPC partner

**Note:**

1. The cash flows associated with the Takeout Agreement are embedded in a detailed Business Plan which will be made available for review once an NDA has been signed. See "Transaction Process and Timing" on page 7.

## Overview of Ontario's Solar Power Market

- ❖ Ontario solar market outlook is bright, underpinned by the OPA FIT Contract program – in place since the establishment by the Green Energy Act, September 2009 – Reaffirmed in October 2011 election.
- ❖ Ontario government's target is to eliminate coal-fired generation by 2014.
- ❖ Green Energy Act - Ontario Government passed the Green Energy Act, 2009 ("GEA") with the objective to facilitate massive renewable energy development by providing developers with greater certainty and streamlined approval processes in order to build a world-class green industrial sector.

## The Ontario FIT Program

- ❖ The OPA FIT Program is North America's first comprehensive guaranteed pricing structure for renewable electricity production. The Feed-in-Tariff for ground-mounted solar PV greater than 10 kW-AC is 44.3 cents/kWh for 20 years, and limited to 10 MW-AC in size. The Feed-in-Tariff for rooftop-mounted solar PV systems range from 53.9 cents/kWh for systems > 500kW to 80.2 cents/kWh for microFIT systems ≤ 10kW.
- ❖ Offers stable prices under long-term contracts for energy generated from solar photovoltaic and other renewable forms of energy.
- ❖ Roof top and ground mounted projects will provide years of stable demand for panel supply from within the province of Ontario.
- ❖ PWO is in consultation with the OPA during its current bi-annual review of the FIT Program.

## The OPA FIT Domestic Content Requirement

- ❖ OPA FIT rules dictate that Solar Projects over 10 kW-AC coming online after 1/1/2011 must meet a minimum domestic content requirement of 60%.
- ❖ For nearly every Solar PV FIT project, the simplest way to satisfy this requirement is to purchase panels manufactured in Ontario.<sup>1</sup>

## Market Opportunity

- ❖ Tremendous volume of solar projects will be required to be built in Ontario over the next six years.
- ❖ PWO is well positioned to take advantage of this build-out.
- ❖ There has been 5.1 GW of applications, 1.2 GW of contracts executed.
- ❖ The OPA expects Ontario to have 1.9 GW-AC (or 2.2 GW-DC) of new installed capacity come from solar by 2015 and an additional 1.1 GW-DC by 2018.<sup>2,3</sup> Hence, the market opportunity for panels manufactured in Ontario is 3.5 GWs DC or C\$4.9 billion.<sup>4</sup>

## Manufacturing Strategy in Ontario

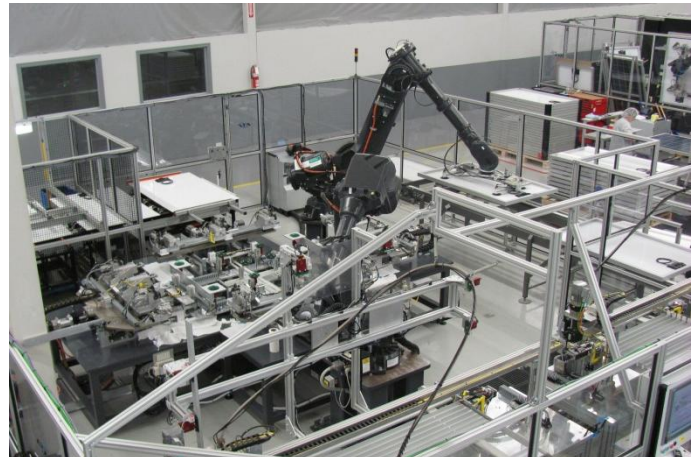
- ❖ ATS's approach to Photowatt Ontario was to create a state-of-the-art, highly efficient, continuous flow production facility that can produce high quality panels at competitive conversion costs.
- ❖ PWO provides both solid local content market access, and geographic proximity to important U.S. market

### Notes:

1. Also assumes that the developer sources racking, inverters and any other wiring and electrical hardware from Ontario based suppliers, and construction services are performed by Ontario residents.
2. Figures from the OPA presentation, "Outlook for Electricity Demand and Supply in Ontario," presented by Amir Shalaby to the APPRO 2011 Conference on November 15, 2011.
3. DC figures assumes an 80% de-rate factor.
4. Assumes an average selling price ("ASP") of \$1.40 per watt.

## State of the Art Platform for Taking Advantage of North American Solar Module Manufacturing

- ❖ The Photowatt Ontario assets, team, module manufacturing contracts, and FIT contracts provide an attractive platform from which to take advantage of the OPA FIT program and its Domestic Content Requirement, as well as other North American markets.
  - Business plan highlights strong cash flows and operating income supported by existing MMAs, Take-out Agreement economics, strong sales funnel, with strong market demand expected over the next 4 – 5 years<sup>1</sup>
  - State-of-the-art, highly efficient, high yield, low cost manufacturing line
  - Production line designed for bill of materials (“BOM”) flexibility and panel flexibility (60-cell to 72-cell) to meet Ontario and other North American market needs
  - Low cost production expansion adds to existing scale
  - Experienced management team and well trained production staff ready to meet production and market demand
  - Ontario market one of the premium solar markets worldwide and PWO is well-positioned to take advantage of that demand
  - Proximity in North America affords the new Owner of PWO the opportunity to take advantage of the U.S. market.
  - Existing MMAs help PWO navigate the near term delays associated with Ontario’s new solar market, as the OPA and the Local Distribution Companies work through their backlog of FIT applications



**Note:**

1. A detailed Business Plan will be made available for review once an NDA has been signed. See “Transaction Process and Timing” on page 7.

## Transaction Process and Timing

Marathon, on behalf of ATS and Photowatt Ontario, will be contacting a select group of potential investors to determine their level of interest and their ability to fund and quickly close on the acquisition of Photowatt Ontario.

The sale of the Ground Mount Projects is subject to negotiations with a Take-out Partner currently underway, the result of an independent sale process held over the prior six months. In that transaction, PWO will retain the exclusive MMA to satisfy the build out of 75 MW DC of FIT contracts, and prospective 30 MW DC of projects in the OPA ECT queue. Regardless of the outcome of the sale process, PWO does control the ultimate disposition of these contracts, along with its JV partner – Q Cells. In any outcome, it is expected that PWO will be building the modules for the Ground Mount Projects.

A Confidential Information Memorandum (“CIM”), Financial Model and Electronic Data Room access will be provided to interested parties following the execution of a Confidentiality and Non-Disclosure Agreement (“NDA”). We anticipate these materials being available in various stages in late November. Our goal is to receive indications of interest by December 21<sup>st</sup>, and to use the balance of the month to select certain parties with whom to pursue continued discussions in a second stage beginning in January. Overall, the Company’s goal is to be in advanced stages of closing with the winning bidder by the end of January, supporting a closing in February.

## Contacts

Communications or inquiries relating to the investment opportunity described in this Overview should be directed to Marathon Capital, LLC. Please direct all inquiries to the following professionals:

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# Appendix I

## Summary Financials <sup>1</sup>

### CY 2012 / 2013 Sales & Production Plan

MMA's (in MW)	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13	Q2-13	Q3-13	Q4-13	2013
Rooftop projects (GSC)										
Ground mount projects (OSPVF)										
Major accounts										
OEM#1										
OEM#1										
Other / Non Ontario (OEM)										
Distribution										
Other funnel opportunities										
<b>Total Bookings/Sales</b>										
<b>Total Production/Shipments</b>										

### CY2012 /CY2013 Summary Income Statement

Income Statement (in \$000s)	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13	Q2-13	Q3-13	Q4-13	2013
Revenue - modules										
Revenue - module conversion										
Revenue - PVR (Rooftop Projects)										
Revenue - OSPVF (Take-out MMA)										
Revenue - OSPVF (Take-out Dev Fees)										
<b>Total Revenue</b>										
<b>Gross profit</b>										
<i>GM %</i>										
<b>Selling, general and administrative</b>										
<b>Earnings from operations (EBIT)</b>										
<i>EBIT %</i>										
<b>EBITDA</b>										
<i>EBITDA %</i>										

- Note:**
- Summary and detailed financial information, including a detailed Business Plan, will be made available for review an NDA has been signed. See "Transaction Process and Timing" on page 7.

# Appendix II

## Management Team

### Highly Experienced Management Team

- ❖ Cohesive team with 75+ years of experience in photovoltaic, semi-conductor, and electronics manufacturing.

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**Chris Waters**  
**General Manager**  
**BA, MBA**

15+ years experience in the photovoltaic, electronics, and telecommunications industries. Most recently, VP Business Development, ARISE Technologies Corporation (2005 – 2010). Responsible for all partner; customer; supplier acquisition and negotiation. Signed >\$1B in cell contracts and >\$900M in wafer supply. Part of the finance team that raised \$110M in the public equity markets from 2007-2008. Helped arrange significant government funding for cell and silicon R&D programs as well as manufacturing build out. Previous experience with Research In Motion (global carrier acquisition, Business Development). Head of investment team for a large portfolio of commercial and residential real estate. BA Economics Wilfrid Laurier University; MBA McMaster University.

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**Dave Chornaby**  
**Finance & Administration**  
**BA, CMA**

30+ years experience in photovoltaic, electronics, automated imaging, and embedded computing industries. Most recently, Chief Financial Officer, ARISE Technologies Corporation (2007–2010). Responsible for accounting/finance, administration, investor relations, IT and legal functions for a TSX listed, multinational solar company. Led the finance team that raised \$110M in the public markets during 2007–2008. Previous experience with SBS Technologies Canada Inc., a division of General Electric (VP Finance & Operations) and HP (Division General Manager). Broad operational and general management experience with a strong background in managing financial performance. Business administration grad Ryerson Polytechnic University; Certified Management Accountant (CMA).

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**Jeff Dawkins**  
**Operations**  
**BASc**

30+ years experience in photovoltaic, electronics, semiconductor, and systems industries. Most recently, VP/GM Silicon Division, ARISE Technologies Corporation (2007–2010). Responsible for scaling up a new, proprietary process for ultra-high purity silicon for use in manufacture of high efficiency solar cells. Established strategy to scale up from lab to production, built the team, and executed to that plan. Responsible for relationships with key technology partners, and arranging significant government funding assistance. Previous experience with Intel (Division General Manager) and HP (Engineering management). Significant experience managing international relationships and programs. BASc University of Toronto.

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**Walter Wagnleithner**  
**Legal Counsel**  
**BA, LLB, MBA**

12+ years of legal experience, including 7+ years as in-house counsel with dual listed iconic Canadian public companies, Nortel Networks Ltd., Magna Entertainment Corp. and Tim Hortons Inc., during periods of significant change. Sophisticated deal and compliance experience across various industries. Was chiefly responsible for Magna Entertainment legal work on approximately \$650 million of debt under related party and third party loans, as well as on real estate sale and loan transactions raising US\$450 million. Significant exposure to public company governance and reporting requirements. BA History (Applied Studies) University of Waterloo; LLB University of Western Ontario; MBA Wilfrid Laurier University.

# Appendix III

## OSPVH Contracts

### Summary of OSPVH FIT and ECT Contracts

Site	Project Name	Project Location	Project Size (MW-DC)	Project Size (MW-AC)	FIT Contract Status <sup>1</sup>	FIT Contract Price (\$/kWh)	Connection Utility
1	Wainwright	Oxdrift	11.71	10	Executed	0.443	Hydro One
2	Morley	Stratton	11.71	10	Executed	0.443	Hydro One
3	Vanzwolf	Township of Dawson	11.71	10 <sup>2</sup>	Executed	0.443	Hydro One
4	Dave Rampel	Township of Dawson	11.71	10	Executed	0.443	Hydro One
5	Kap	Kapuskasing	7.026	6	Executed	0.443	Hydro One
6	Mattawishkwia	Hearst	11.71	10	Executed	0.443	Hearst Power
7	Ramore	Ramore	9.368	8	Executed	0.443	Hydro One
8	Mountjoy North	Timmins	7.026	6	Awaiting ECT	0.443	Hydro One
9	Dalton Road	Timmins	11.71	10	Awaiting ECT	0.443	Hydro One
10	Photon	Kapuskasing	11.71	10	Awaiting ECT	0.443	Hydro One

Notes:

1. "ECT" means Economic Connection Test.
2. The FIT Contract for Vanzwolf contemplates an AC nameplate capacity of 10 MW; however, that capacity may be reduced to 5 MW depending upon the capacity of the Barwick TS in respect of which Hydro One is currently in the planning stages.

### About the Sponsor



- ❖ ATS Automation Tooling Systems Inc. provides innovative, custom designed, built and installed manufacturing solutions to many of the world's most successful companies. Founded in 1978, ATS uses its industry-leading knowledge and global capabilities to serve the sophisticated automation systems' needs of multinational customers in industries such as healthcare, computer/electronics, automotive and consumer products. It also leverages its many years of repetitive manufacturing experience and skills to fulfill the specialized repetitive equipment manufacturing requirements of customers.
- ❖ Through its Photowatt solar business, ATS participates in the solar energy industry.
- ❖ ATS employs approximately 3,000 people at 21 manufacturing facilities in Canada, the United States, Europe, southeast Asia and China.
- ❖ The Company's shares are traded on the Toronto Stock Exchange under the symbol ATA.