

## **ATS Corporation Announces Financial Results for the First Quarter Ended March 31, 2007**

Thursday, May 10, 2007

### **Q1 2007 Earnings Press Release**

MCLEAN, VA -- (MARKET WIRE) -- May 10, 2007 -- ATS Corporation ("ATSC") (OTCBB: ATCT), a leading information technology company that delivers innovative technology solutions to federal, state, and local government organizations, today announced operating results for the first quarter ended March 31, 2007. Prior to the acquisition of Advanced Technology Systems, Inc. on January 16, 2007, ATSC was a blank check company without operating units.

ATSC reported revenue of \$23.5 million for the first quarter of 2007. Net loss was \$6.8 million or \$0.33 per diluted share. This included a loss of \$6.9 million on derivative liabilities attributed to our warrants. Because our warrant agreement, until March 14, 2007, was not clear as to whether we were required to net cash settle the warrants if we were unable to deliver common stock to the warrant holders, we were required to mark the warrants to market as liabilities and therefore recognize gains or losses on the increase or decrease in the fair market value of the warrants. Effective March 14, 2007, the warrant agreement was clarified to state that we are not required to net cash settle the instruments if we are unable to deliver shares of common stock to the warrant holders. We are therefore no longer required to mark the warrants to market and the warrants have now been reclassified as stockholders' equity from liabilities.

The other elements of cost impacting earnings for the quarter were \$774,000 of amortization of intangibles associated with the ATSI acquisition and \$5,000 associated with the RISI acquisition. We expect these amounts to be approximately \$930,000 and \$15,000, respectively, in future quarters.

We also had a charge of approximately \$600,000 associated with stock based compensation during the quarter. This amount was primarily due to stock options that vested during the quarter. We expect the amount of stock based compensation to be approximately \$100,000 per quarter going forward.

#### **Business Highlights**

ATSC President and Chief Executive Officer Dr. Edward H. Bersoff stated, "I am pleased with all that we have been able to accomplish in the past several months, including the finalization of the acquisition of ATSI on January 16, 2007, and RISI on March 1, 2007; selecting our new independent accounting firm; negotiating our \$9 million bridge credit facility while working on putting in place a three-year line of credit; creating a new business development organization; and implementing a company-wide incentive program."

#### **Conference Call**

ATSC will conduct a first quarter conference call on Thursday, May 10, at 5:00 p.m. ET. The dial-in number for the live teleconference is 877-715-5282, conference ID # 8778959. Recorded replay of the teleconference will be available beginning May 11 on the company website: [www.atsva.com](http://www.atsva.com) for one year from the conference call and

by telephone at 877-519-4471, conference ID # 8778959, beginning at 8:00 p.m. ET on May 10, 2007 through 11:59 p.m. ET on May 24, 2007.

About ATS Corporation and Advanced Technology Systems, Inc.

ATS Corporation (formerly named Federal Services Acquisition Corporation) operates through its subsidiaries, Advanced Technology Systems, Inc., Reliable Integration Services, and Appix, Inc.

Advanced Technology Systems, Inc. ("ATS") is a leading provider of systems integration and application development, IT infrastructure management and strategic IT consulting services to U.S. federal government agencies. Since its founding in 1978, ATS has been recognized for its custom software development and software integration capabilities and its deep domain expertise in federal government financial, human resource and data management systems. ATS has built and implemented over 100 mission-critical systems for clients.

ATS' financial management software expertise assists clients preparing for the government's increased financial accountability standards. ATS' data management systems expertise allows clients to increase efficiency with better human resource and case management tracking capabilities, while also allowing them to organize and track information easily. Additionally, ATS' IT outsourcing capabilities provide ATS with an opportunity to develop long-term value added partnerships with clients that allow end-users and government agencies to focus on core mission priorities, while reducing expenditures on systems management.

In addition, ATSC leverages its IT services, management consulting, and software and systems development solutions expertise into financial institutions, insurance companies and government sponsored enterprises through a wholly owned subsidiary, Appix, Inc. ("Appix"). Appix is one of the largest providers of outsourced professional services at Fannie Mae and currently serves many Fortune 500 financial services and insurance companies. Additional information about Appix may be found at [www.appix.com](http://www.appix.com).

Any statements in this press release about future expectations, plans, and prospects for ATSC, including statements about the estimated value of the contract and work to be performed, and other statements containing the words "estimates," "believes," "anticipates," "plans," "expects," "will," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: our dependence on our contracts with federal government agencies for the majority of our revenue, our dependence on our GSA schedule contracts and our position as a prime contractor on government-wide acquisition contracts to grow our business, and other factors discussed in our latest annual report on Form 10-K filed with the Securities and Exchange Commission on March 26, 2007. In addition, the forward-looking statements included in this press release represent our views as of May 10, 2007. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to May 10, 2007.

Additional information about ATSC and ATS may be found at [www.atsva.com](http://www.atsva.com).

ATS Corporation  
Consolidated Statements of Operations

	(Successor)		(Predecessor)	
	For the Three Months Ended March 31, 2007	For the Three Months ended March 31, 2006	For the period from November 1, 2006 through January 15, 2007	For the Three Months Ended January 31, 2006
Revenue	\$ 23,477,720	\$ --	\$ 21,447,600	\$ 26,054,341
Operating costs and expenses				
Cost of services	16,464,217	--	15,472,700	18,572,701
Selling, general and administrative	5,970,982	610,197	12,677,730	6,260,651
Depreciation and amortization	146,827	--	142,575	221,508
Amortization of intangible assets	779,335	--	--	--
Total operating costs and expenses	23,361,361	610,197	28,293,005	25,054,860
Operating income	116,359	(610,197)	(6,845,405)	999,481
Other Income (Expense)				
Interest income (expense), net	143,451	1,189,712	(108,200)	(50,847)
Losses on derivative liabilities attributable to warrants	(6,930,000)	(10,920,000)	--	--
Other income	735	--	54,267	7,936
Income (Loss) Before Income Taxes	(6,669,455)	(10,340,485)	(6,899,338)	956,570
Income Tax (Benefit) Expense	102,711	263,560	(2,533,542)	382,188
Income (Loss) from Continuing Operations	(6,772,166)	(10,604,045)	(4,365,796)	574,382
Loss from Discontinued Operations, net of income tax benefits of \$252,252	--	--	--	(378,377)
Net Income (Loss)	\$ (6,772,166)	\$ (10,604,045)	\$ (4,365,796)	\$ 196,005
Interest income attributable to common stock subject to possible redemption (net of taxes of \$0 and \$106,135 respectively)	--	(129,093)	--	--
Net income (loss) allocable to common stockholders not subject to possible redemption	\$ (6,772,166)	\$ (10,733,138)	\$ (4,365,796)	\$ 196,005
Weighted average number of shares outstanding				
basic	20,307,248	26,250,000	19,022,500	19,023,400
diluted	20,307,248	26,250,000	19,022,500	19,400,587
Weighted average shares outstanding exclusive of shares subject to possible redemption				
basic	20,307,248	22,052,100	19,022,500	19,023,400
diluted	20,307,248	22,052,100	19,022,500	19,400,587
Basic net income (loss) per share				
Continuing operations	\$ (0.33)	\$ (0.40)	\$ (0.23)	\$ 0.03
Discontinued operations	\$ -	\$ -	\$ -	\$ (0.02)
Net income	\$ (0.33)	\$ (0.40)	\$ (0.23)	\$ 0.01
Net income not subject to possible redemption	\$ (0.33)	\$ (0.49)	\$ (0.23)	\$ 0.01
Diluted net income (loss) per share				
Continuing operations	\$ (0.33)	\$ (0.40)	\$ (0.23)	\$ 0.03
Discontinued operations	\$ -	\$ -	\$ -	\$ (0.02)
Net income	\$ (0.33)	\$ (0.40)	\$ (0.23)	\$ 0.01
Net income subject to possible redemption	\$ (0.33)	\$ (0.49)	\$ (0.23)	\$ 0.01

# ATS Corporation

## Consolidated Balance Sheets

	(Successor)		(Predecessor)	
	March 31, 2007 (unaudited)	December 31, 2006 (audited)	January 15, 2007 (unaudited)	October 31, 2006 (audited)
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 1,728,046	\$ 213,395	\$ 28,040	\$ 718,571
Accounts receivable, net	23,115,274	--	21,260,609	20,495,315
Prepaid expenses and other current assets	593,243	136,006	525,032	632,948
Income tax receivable	781,278	--	2,524,113	1,483,728
Other current assets	3,525,605	--	--	--
Assets held for sale	--	--	--	231,861
Deferred income taxes, current	1,316,803	--	--	--
<b>Total Current Assets</b>	<b>31,060,249</b>	<b>349,401</b>	<b>24,337,794</b>	<b>23,562,423</b>
Short term investments held in trust account	--	121,024,475	--	--
Restricted cash	1,230,681	--	1,217,782	1,204,710
Cash and cash equivalents held in Trust fund	--	1,332	--	--
Property and equipment, net	1,413,442	--	1,466,108	1,352,736
Goodwill	64,760,564	--	3,171,886	3,171,886
Intangible assets, net	16,520,665	--	--	--
Deferred acquisition costs	--	1,361,215	--	--
Other assets	53,248	--	325,043	328,678
Deferred income tax benefit	--	502,744	239,113	--
<b>Total Assets</b>	<b>\$115,038,849</b>	<b>\$123,239,167</b>	<b>\$ 30,757,726</b>	<b>\$ 29,620,433</b>
<b>Liabilities and Stockholders' Equity</b>				
<b>Current Liabilities</b>				
Line-of-credit	\$ -	\$ -	\$ 9,964,955	\$ 6,930,000
Capital leases-current portion	87,385	--	61,015	78,999
Accounts payable and accrued expenses	7,478,648	942,146	6,645,529	7,884,056
Accrued salaries and related taxes	3,886,284	--	8,706,116	3,620,113
Accrued vacation	2,573,676	--	2,284,566	2,302,812
Income taxes payable	--	310,606	--	--
Warrant liabilities	--	13,860,000	--	--
Other current liabilities	464,214	--	386,992	387,698
Current liabilities of discontinued operations	--	--	--	35,422
Deferred income taxes-current portion	--	40,489	889,783	803,258
<b>Total Current Liabilities</b>	<b>14,490,207</b>	<b>15,153,241</b>	<b>28,938,956</b>	<b>22,042,358</b>
Notes Payable	86,857	--	--	--
Capital leases-net of current portion	141,531	--	181,104	181,174
Other long-term liabilities	446,801	--	560,022	625,546
Deferred income taxes-net of current portion	6,241,032	--	--	1,327,915
<b>Total Liabilities</b>	<b>21,406,428</b>	<b>15,153,241</b>	<b>29,680,082</b>	<b>24,176,993</b>
Common stock, subject to possible redemption 4,197,900 shares	--	23,424,282	--	--
Interest income attributable to common stock subject to possible redemption (net of taxes of \$0 and \$561,204, respectively)	--	702,752	--	--
<b>Total common stock subject to possible redemption</b>	<b>--</b>	<b>24,127,034</b>	<b>--</b>	<b>--</b>
Commitment and Contingencies	--	--	--	--
<b>Stockholders' Equity</b>				

Preferred stock--\$.0001 par value; 1,000,000 shares authorized; no shares issued or outstanding	--	--	--	--
Preferred stock; non-voting, no par value; 50,000,000 shares authorized; no shares issued or outstanding	--	--	--	--
Common stock-- \$.0001 par value, 100,000,000 shares authorized; 26,470,209 and 26,250,000 issued; 18,127,454 and 26,250,000 outstanding, respectively (which includes 0 and 4,197,900 shares subject to possible redemption, respectively)	2,647	2,625	--	--
Common stock; Class A voting, no par value; 75,000,000 shares authorized; 9,219,700 issued; 9,023,400 outstanding - predecessor	--	--	34,768	34,768
Common stock; Class B voting, no par value; 75,000,000 shares authorized; 10,000,000 issued and outstanding	--	--	1,736	1,736
Additional paid-in capital	127,482,626	81,467,698	--	--
Treasury stock, at cost 8,342,755 and 0 shares (successor); 197,200 and 196,300 shares (predecessor)	(30,272,007)	--	(37,358)	(37,358)
Retained earnings (defecit)	(3,580,845)	2,488,569	1,078,498	5,444,294
<b>Total Stockholders' Equity</b>	<b>93,632,421</b>	<b>83,958,892</b>	<b>1,077,644</b>	<b>5,443,440</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$115,038,849</b>	<b>\$123,239,167</b>	<b>\$30,757,726</b>	<b>\$29,620,433</b>

## ATS Corporation Consolidated Statements of Cash Flows

	(Successor)		(Predecessor)	
	For the Three Months Ended March 31, 2007	For the Three Months Ended March 31, 2006	For the period from November 1, 2006 through January 15, 2007	For the Three Months Ended January 31, 2006
<b>Cash Flows from Operating Activities</b>				
Net income (loss)	\$ (6,772,166)	\$ (10,604,045)	\$ (4,365,796)	196,005
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:				
Depreciation and amortization	113,234	--	142,575	221,508
Amortization of intangibles	779,335	--	--	--
Deferred income taxes	(1,947,134)	(250,436)	(1,480,503)	--
Loss on disposal of equipment	--	--	45,040	58,233
Bad Debt	--	--	--	85,000
Stock-based compensation	600,670	--	1,870,000	9,000
Interest on notes payable	1,354	--	--	--
Loss on derivative liabilities attributable to warrants	6,930,000	10,920,000	--	--
Changes in assets and liabilities, net of effects of acquisitions:				
Accounts receivable	(1,519,877)	--	(533,433)	(1,378,747)
Interest receivable	--	(20,477)	--	--
Prepaid expenses	(60,601)	25,314	107,916	34,108
Other current assets	(3,525,605)	--	--	--
Income taxes payable (receivable)	1,432,229	71,111	(1,040,385)	(1,000,180)
Other assets	284,248	--	3,635	(21,982)
Accounts payable and accrued expenses	(252,705)	391,230	(1,238,527)	(1,743,508)
Accrued salaries and related taxes	(5,033,944)	--	3,202,024	(800,854)
Accrued vacation	285,065	--	(39,689)	(94,629)
Other current liabilities	(47,222)	--	(66,230)	(77,164)

Other long-term liabilities	(113,221)	--	--	--
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(8,846,340)</b>	<b>532,697</b>	<b>(3,393,373)</b>	<b>(4,513,210)</b>
Cash Flows from Investing Activities				
Purchase of property and equipment	(10,308)	--	(300,987)	(71,256)
Sale of U.S. government securities held in Trust Fund	121,024,475	--	--	--
Purchase of U.S. government securities held in Trust fund	--	(118,220,220)	--	--
Maturities of U.S. government securities held in Trust Fund	--	117,669,592	--	--
Purchase of Advanced Technology Systems Incorporated, net of cash received	(79,355,621)	--	--	--
Purchase of Reliable Integration Services, Inc., net of cash received	(1,000,778)	--	--	--
Release (deposit) of cash held in Trust Fund	1,332	(170,738)	--	--
Restricted cash	(12,899)	--	(13,072)	--
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>40,646,201</b>	<b>(721,366)</b>	<b>(314,059)</b>	<b>(71,256)</b>
Cash Flows from Financing Activities				
Net borrowings on line-of-credit	--	--	3,034,955	3,398,702
Payment on notes payable	--	--	--	(166,470)
Payment on capital leases	(13,203)	--	(18,054)	(14,521)
Repurchase of common stock	(30,272,007)	--	--	--
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(30,285,210)</b>	<b>--</b>	<b>3,016,901</b>	<b>3,217,711</b>
<b>Net Increase (Decrease) in Cash</b>	<b>1,514,651</b>	<b>(188,669)</b>	<b>(690,531)</b>	<b>(1,366,755)</b>
Cash, beginning of period	213,395	1,855,394	718,571	1,366,755
Cash, end of period	\$ 1,728,046	\$ 1,666,725	\$ 28,040	--

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