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## **HAMMOND POWER SOLUTIONS REPORTS THIRD QUARTER RESULTS**

Guelph, November 1 – Hammond Power Solutions Inc. (HPS) today announced results for the third quarter of 2001.

Third Quarter Results: (Three months ended September 29, 2001. Results for the previous year were consolidated with those of a former parent and are not comparable in entirety.)

Revenue was \$21.1 million.  
Net earnings were \$129,000.  
Net earnings per share were \$0.01 basic and diluted.

Nine Months Results: (Nine months ended September 29, 2001. Results for the previous year were consolidated with those of a former parent and are not comparable in entirety.)

Revenue was \$67.5 million.  
Net earnings were \$601,000.  
Net earnings per share were \$0.05 basic and diluted.

William G. Hammond, Chairman and CEO, said that the results for the quarter were particularly gratifying because they were achieved while the overall economic climate continued to decelerate. In spite of the slowdown, the Company reported a modest growth over the same quarter last year and comparable to the previous quarter of fiscal 2001. Mr. Hammond also noted that the Company was able to assist New York City in emergency relief efforts by producing and shipping a number of transformers in a very short period of time, thus emphasizing the ability to design and build high quality transformers on very short notice.

During the third quarter, the Company secured two important contracts. The first consisted of a \$6 million order from Siemens, of Atlanta, Georgia, for the supply of standard and special dry type transformers over a two year period. Tippins Incorporated, of Pittsburg, Pennsylvania, then signed two contracts with HPS totaling \$2 million for the design and build of reactors, drive isolation and custom distribution transformers to be shipped before year end for installation in steel mills in the People's Republic of China.

Among the highlights for the quarter HPS announced the completion and successful commissioning of their new manufacturing facility located in Monterrey, Mexico in late August.

During this time of economic instability, HPS remains committed to aggressive pursuit of growth opportunities. One important area of growth is to increase the Company's market share in sectors that were made available to HPS through the establishment of the Mexican facility. As well, the Company is concentrating its focus on niches that are experiencing sustainable growth despite the current economic climate. The power generation market for utility projects in the United States and South America is one such niche. Notwithstanding these growth opportunities, HPS is also committed to reducing costs and improving efficiency.

With the weaker economy compounded by the tragedy that occurred in the United States, HPS expects continued slowdown to occur in the telecommunications and Internet sectors in the foreseeable future. Nevertheless, the Company remains confident that it is well positioned to capitalize on positive upturns in the market as they occur.

Hammond Power Solutions designs and produces standard and special dry type transformers and is one of North America's leading manufacturers of engineered magnetics. The Company has two manufacturing plants in Canada, two in the United States and one in Mexico.

The Company's shares trade on the Toronto Stock Exchange under the symbol HPS.A.

FOR FURTHER INFORMATION PLEASE CONTACT:

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