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HAMMOND POWER SOLUTIONS REPORTS RESULTS FOR 2001

Guelph, April 4 – Hammond Power Solutions Inc. (HPS) today announced results for the fourth quarter of 2001 and the 2001 year end.

Fourth Quarter Results: (Three months ended December 31, 2001. Results for the previous year were consolidated with those of a former parent and are not comparable.)

- Revenue was \$19.1 million.
- Loss from operations was \$1.5 million. (Includes a charge of \$1.3 million associated with the closure of the Baraboo, Wisconsin facility.)
- Net loss was \$1.4 million.
- Net loss per share was \$0.12 basic and diluted.

Twelve Months Results: (Twelve months ended December 31, 2001. Results for the previous year were consolidated with those of a former parent and are not comparable.)

- Revenue was \$86.6 million.
- Earnings from operations were \$687,000.
- Net loss was \$761,000.
- Net loss per share was \$0.07 basic and diluted.

William G. Hammond, Chairman and CEO, said that the 2001 results are particularly encouraging as they included earnings from operations that were achieved in the face of industry-wide retrenchment and despite several one time, non-recurring expenses. The unusual costs incurred in 2001 are i) the suspension of operations at the Baraboo, Wisconsin facility at year end; ii) significant short term expenses associated with the spin-off from Hammond Manufacturing Company Limited at the start of the year; and iii) the commissioning of the new Mexican manufacturing facility in the third quarter.

Mr. Hammond also noted that negative conditions were experienced by the electrical and electronics industries during the past year, but HPS continued to encounter positive success in a number of its core markets. Power quality and power generation for utility projects for the United States and South America were among the strongest growth markets for HPS during 2001. The Company's high level of market diversification also proved to be a significant advantage during the last year, providing HPS with the ability to identify growth opportunities even as the market conditions remained unfavorable for a number of niche-oriented competitors. Subsequent to year end, modest activity was on the rise in sectors such as defense, mining and off-shore drilling platforms.

Although the severe economic downturn had far reaching adverse effects on HPS' customers in the manufacturing sector, HPS was awarded a number of large-scale contracts from some of the world's leading electrical equipment and systems manufacturers. The contracts include \$6 million from Siemens, of Atlanta, Georgia; \$3 million from Siemens/Westinghouse, of Orlando, Florida; and \$2 million from Tippins, of Pittsburgh, Pennsylvania.

As a result of the challenging economic climate encountered during the last year, HPS implemented a restructuring program aimed at optimizing the Company's financial performance. A number of aggressive measures were undertaken to reduce costs and improve efficiency. Currently, operations are in the process of being suspended at the Baraboo, Wisconsin facility. The collapse of the Internet infrastructure market midway through the year was a key element affecting the closure.

Despite the difficult economic conditions, HPS remains committed to an aggressive growth strategy aimed at increasing the HPS share of existing markets, as well as increasing focus on attractive growth niches and higher margin business. The establishment of the new manufacturing facility in Monterrey, Mexico will help facilitate this growth.

The outlook for the second half of 2002 is for more positive economic conditions. HPS has used the challenging time of the last year to position the Company better for recovery through aggressive restructuring and cost cutting measures. The Company is optimistic about new emerging growth opportunities as the overall economy continues to strengthen and it remains confident for the future.

Hammond Power Solutions Inc. is the North American stand-alone leader for the design and manufacture of custom electrical engineered magnetics and is also the leading manufacturer of standard electrical dry-type transformers. Leading edge engineering capabilities, high quality products, and fast and responsive service to customers' needs have all served to establish HPS as a technical and innovative leader in the electrical and electronic industries. The Company has two manufacturing plants in Canada, one 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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