



595 Southgate Drive
Guelph, Ontario N1G 3W6
Phone: (519) 822-2441
Fax: (519) 822-4366

For Immediate Release: Monday, March 10, 2003

HAMMOND POWER SOLUTIONS REPORTS RESULTS FOR 2002

Guelph, March 10 – Hammond Power Solutions Inc. (TSX:HPS.A) today announced results for the fourth quarter of 2002 and the 2002 year end.

Fourth Quarter Results: (three months ended December 31, 2002 compared with three months ended December 31, 2001)

- Revenue was \$19.5 million compared with \$19.1 million.
- Income from operations was \$825,000 compared with a loss of \$1,400,000.
- EBITDA* was \$1,473,000 compared with a loss of \$968,000.
- Net loss was \$8,000 compared with a net loss of \$1,303,000.
- Net earning per share was \$0.00 basic and diluted compared with a loss of \$0.12 basic and diluted.

Year End Results: (twelve months ended December 31, 2002 compared with twelve months ended December 31, 2001)

- Revenue was \$75.2 million compared with \$86.6 million.
- Income from operations was \$1,174,000 compared with \$520,000.
- EBITDA* was \$3.8 million compared with \$2.0 million.
- Net loss was \$168,000 compared with a net loss of \$834,000.
- Net loss per share was \$0.01 basic and diluted compared with \$0.07 basic and diluted.
- Cash flow from operations per share \$0.33.
- Book Value per share \$1.62.

William G. Hammond, Chairman and CEO, said that the 2002 results were in line with expectations resulting from the prevailing weak and uncertain economic climate experienced throughout the year in many North American industries. The manufacturing industry in particular continued to experience declining capital investments and widespread downsizing. Despite these challenging conditions, HPS has out-performed the majority of the industry during the course of 2002, ending the year with an improved balance sheet and increased margins. The fourth quarter in particular saw a sharp rise in the demand for customized short lead-time business. As the industry continues to struggle with excess generating capacity left over from the explosive growth in the technology sector, HPS, as the dominant and well positioned player in the dry-type electrical magnetics industry, is exploring a number of new and exciting growth opportunities.

Mr. Hammond also remarked that HPS has been able to offset the effects of the prolonged economic slowdown by focusing on end-user markets and specialized niches that are experiencing increased levels of activity. With industry leading custom design capabilities and superior customer service, HPS has been able to capitalize on the rising demand for specialized electrical equipment. End-user

* Earnings before interest, tax, depreciation and amortization

markets such as power conditioning, mining, off-shore oil pumping and commercial power and construction have proven to be a source of new growth opportunities for the Company. A number of markets, such as capital equipment and electrical distribution, which traditionally exhibit stable growth, continued to experience varied levels of volatility throughout most of the year.

Highlighting 2002, HPS retained its position as the long-standing industry leader of custom electrical engineered magnetic devices. As a result, the Company was awarded a number of sizable contracts from some of the world's leading electrical equipment manufacturers. Siemens/Westinghouse, of Orlando, Florida, increased its original contract with HPS by \$1 million. Cutler-Hammer, of Ashville, North Carolina, placed orders with HPS for several transformers valued at approximately \$1.6 million. Subsequent to the end of the year, HPS won a \$6-8 million contract to supply private branded distribution transformers to a major multinational customer.

During the course of the year, HPS has increased its marketing focus on the U.S., identifying new growth opportunities in several specialty distributor channels. As a result, the Company is gratified to report the addition of a number of new customers to its already extensive customer base. The much smaller Canadian market continued to show weakness.

Along with the Company's growth strategy, HPS continues to have a strong internal focus on cost reductions to improve the Company's profitability as well as its overall performance.

The beginning of 2003 witnessed a rise in the number of bookings and sales as compared to the end of 2002, a trend that is expected to continue for the remainder of the year. Also on the increase is the volume of custom designed, short lead-time, quick-turn business generating improved profit margins. During the year, HPS will continue to focus on expanding market niches and its superior custom design capabilities. Despite the inability to foresee the exact timing of anticipated economic rebounds, HPS looks forward to the balance of the year with cautious optimism.

About Hammond Power Solutions Inc.

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.

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FOR FURTHER INFORMATION PLEASE CONTACT:

W.G. (Bill) Hammond, Chairman and CEO
Chris R. Huether, VP Finance & Secretary
Hammond Power Solutions Inc.

(519) 822 - 2441

Zuzana Bolender, Investor Relations
Cavalcanti Hume Funfer Inc.

(416) 868 - 1079

If you would prefer to receive press releases via email contact Zuzana Bolender (zuzana@humekieran.com).