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HAMMOND POWER SOLUTIONS INC., reports results for the First Quarter 2004

Three months ended:

	<u>April 3, 2004</u>	<u>March 29, 2003</u>	<u>Change</u>
Net Sales	\$20,033,000	\$18,334,000	+1,699,000
Earnings (Loss) from Operations	\$755,000	(\$7,000)	+762,000
Net Earnings (Loss)	\$169,000	(\$295,000)	+464,000
Earnings (Loss) per Share	\$0.01	(\$0.03)	+\$0.04
Shares outstanding	11,285,300	11,285,300	
Net book value per share	\$1.56	\$1.59	

Guelph, Ontario, May 5, 2004 - Hammond Power Solutions Inc., (TSX:HPS.A) today announced results for the First Quarter 2004 – Net first quarter sales were up \$1,699,000 or 9.3 % over Quarter 1, 2003. Sales increased due to the impact of the improving U. S. and Canadian OEM markets particularly in the mining, oil and gas pumping segments.

Mr. Hammond commented, "We are very pleased at revenue levels in the quarter considering the impact of the stronger Canadian dollar as compared to a year ago and are heartened by some of the positive economic indicators we are starting to see in many of our markets." The value of the Canadian dollar has flattened out this past quarter but is still approximately 15% stronger than Quarter 1, 2003.

Earnings from operations for the quarter were \$755,000, which was up \$762,000 from the same quarter last year despite the negative impact of the higher Canadian dollar. Increases in sales and higher gross margins resulting from the volume increase, improvements in cost structures and sales mix were conducive in creating this gain.

Net earnings for Quarter 1, 2004 were \$169,000 as compared to a Quarter 1, 2003 loss of \$295,000 were also positively impacted by reduced selling, general and administrative expenses and lower interest costs.

Long-term debt was reduced by \$457,000 in the quarter and bank indebtedness was lower than Quarter 1, 2003 by \$1,199,000.

Mr. Hammond stated, "Hammond Power Solutions Inc., is committed to their short lead-time, quick turn around business strategy and continues to uphold their design and service capabilities for complex custom transformers. These unique capabilities, that have helped us to grow in the past and to battle through a very difficult economic slowdown, will also help us expand in both new markets and old as well as help us to become a more profitable Company as we begin a new economic cycle again in the year ahead."

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, 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Hammond Power Solutions Inc.

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