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For Immediate Release: March 10, 2004

**HAMMOND POWER SOLUTIONS INC.,
Finishes 2004 with Another Strong Quarter**

Three months ended:

	<u>Dec 31, 2004</u>	<u>Dec 31, 2003</u>	<u>Change</u>
Net Sales	\$20,494,000	\$18,623,000	+\$1,871,000
Earnings from Operations	\$1,392,000	\$859,000	+\$533,000
Net Income	\$391,000	\$256,000	+\$135,000
Earnings per Share	\$0.04	\$0.02	+\$0.02

Twelve months ended:

	<u>Dec 31, 2004</u>	<u>Dec 31, 2003</u>	<u>Change</u>
Net Sales	\$81,349,000	\$73,408,000	+\$7,941,000
Earnings from Operations	\$4,627,000	\$209,000	+\$4,418,000
Net Income (Loss)	\$1,449,000	(\$875,000)	+\$2,324,000
Earnings (Loss) per Share	\$0.13	(\$0.08)	+\$0.21
Shares outstanding	11,285,300	11,285,300	-
Net book value per share	\$1.67	\$1.54	+\$0.13

Guelph, Ontario, March 10, 2004 - Hammond Power Solutions Inc., (TSX:HPS.SV.A) today announced results for the Fourth Quarter 2004 – Fourth Quarter sales were \$20,494,000, up \$1,871,000 or 10 % over Fourth Quarter 2003 and year-to-date, were \$81,349,000 versus \$73,408,000 or up \$7,941,000 or 11% from last year. Sales increases are a result of growth in the mining, oil and gas industries and increased market share in the U.S. and Canadian distributor channels.

Mr. Hammond, Chairman & CEO commented, “the last quarter in 2004 finished strongly for Hammond Power Solutions Inc., in spite of some economic and industry head winds. Our U.S. business continued on a strong positive trend as we increased our market share through distribution as well as a direct basis. This is indicated in higher booking rates and sales levels in Fourth Quarter 2004. Through our cost reduction projects, product design initiatives and short lead-time manufacturing capabilities, we were successful in sustaining our margin rates, despite the negative effect of the stronger Canadian dollar and the upward commodity cost pressures due to the global demand for raw materials, particularly from China.

Earnings from operations in Quarter 4, 2004, were \$1,392,000, as compared to \$859,000 in Quarter 4, 2003, and were up \$533,000 from the same quarter last year and increased \$4,418,000 on a year-to-date basis finishing at \$4,627,000 versus \$209,000 in 2003. Increases in sales, stronger gross margins, improved cost structures and sales mix were conducive in creating this gain.

Net earnings for Quarter 4, 2004, were \$391,000 compared to Quarter 4, 2003 earnings of \$256,000 and were \$1,449,000 year-to-date as compared to a Quarter 4, 2003, year-to-date loss of \$875,000. The year-to-date net earnings were also positively impacted by reduced selling, general and administrative expenses and interest costs.

Cash provided by operations was \$1,956,000 for the Quarter compared to \$2,344,000 for the corresponding period last year and were \$4,980,000 on a year-to-date basis, up \$1,466,000 from year-to-date 2003, which finished at \$3,514,000. Total bank indebtedness was reduced by \$1,730,000 in Quarter 4, 2004, due to increased net income, reductions in working capital and lower capital expenditures.

Mr. Hammond also stated, "Looking forward into 2005, we are cautiously confident about our abilities to increase both sales and profits. For the second year in a row, the general economic indicators remain positive for our largest market, the United States. The mining and petroleum sectors in both Canada and the U.S. should continue to be strong given global growth. We are however; very mindful of the challenges ahead created by surging material costs and the inflationary impact this will have on our selling prices. We are concerned that further upward appreciation of the Canadian dollar will put more negative pressures on the Canadian manufacturing sector. Our resolve to reduce costs, improve productivity, and grow targeted market segments of our business combined with our broad product capabilities, channel development, multi-national manufacturing presence and service capabilities will enable Hammond Power Solutions Inc., to maintain its positive momentum."

About Hammond Power Solutions Inc.

Hammond Power Solutions Inc. (the "Company") is the North American stand-alone leader for the design and manufacture of custom electrical engineered magnetics and is also a 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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