

For Immediate Release: April 20, 2007

HAMMOND POWER SOLUTIONS INC.

Quarter 1, 2007 Net Earnings Up 205%

Positive Revenue and Earnings Trends Continue

Three months ended:

		<u>March 31, 2007</u>		<u>April 1, 2006</u>		<u>Change</u>
Sales	\$	40,226,000	\$	29,715,000	\$	10,511,000
Earnings from Operations	\$	5,707,000	\$	2,124,000	\$	3,583,000
Net Earnings	\$	3,584,000	\$	1,172,000	\$	2,412,000
Earnings per Share						
Basic	\$	0.31	\$	0.10	\$	0.21
Diluted	\$	0.31	\$	0.10	\$	0.21

Guelph, Ontario, April 20, 2007 - Hammond Power Solutions Inc., ("HPS") (TSX: HPS.A) today announced results for the First Quarter 2007:

Sales for the quarter ended March 31, 2007, were \$40,226,000 up \$10,511, 000, or 35.4% from the comparative quarter last year, and were \$3,380,000, or 9.2% higher than Quarter 4, 2006. The Company's focus on sales expansion in its strategic market segments and the electrical distributor channel in both Canada and the United States led to the increased sales for the quarter.

"Our focus on market growth and the general strength of the U. S. and Canadian electrical markets has resulted in rising booking rates, sales growth, and solid financial performance. Specifically, the North American Electrical Distributor, capital equipment, utility, mining equipment, and oil and gas pumping markets in both Canada and the United States once again were very robust in Quarter 1, 2007. I am very pleased with how our operations are responding to the capacity demands."Mr. Hammond commented.

Gross margin rates for the quarter finished at 29.8%, versus 25.7% in Quarter 1, 2006, an improvement of 4.1%. Quarter 1, 2007, gross margin dollars further increased as a result of the higher sales levels, beneficial product mix, and a more favorable U.S. dollar. Quarter 1, 2007, gross margins were also favorably impacted by material and overhead absorption variances.

Mr. Hammond also stated, "The Company is now seeing more competitive selling price and manufacturing lead-time pressures than it has in past quarters. We are also very aware of the unpredictability of the Canadian dollar and fluctuating raw material commodity costs which affects our margin rates and profitability. We will continue to concentrate on engineering and material procurement cost reductions, productivity improvements and manufacturing throughput. "

The success achieved in the quarter has produced year over year improvements in the earnings from operations. Earnings from operations in Quarter 1, 2007, was up \$3,583,000, or 168.7% from the same quarter last year, finishing at \$5,707,000 in the quarter, as compared to \$2,124,000 in Quarter 1, 2006.

Net earnings for Quarter 1, 2007, grew by \$2,412,000 or 205.8%, finishing at \$3,584,000, compared to \$1,172,000, in Quarter 1, 2006, due primarily to the sales growth and increased margin dollars.

Cash used by operations for Quarter 1, 2007, was \$4,133,000, versus \$1,140,000, in Quarter 1, 2006, an increased usage of \$2,993,000. Working capital requirements to support sales growth and additions to property, plant and equipment were partially offset by the increase in net earnings. Overall bank operating lines of credit and long term debt, net of cash balances dropped to \$4,622,000, as at March 31, 2007, a decrease of \$2,618,000 or 36% as compared to a balance of \$7,240,000 as at April 1, 2006.

Mr. Hammond concluded "As evidenced in our Quarter 1, 2007 results, The Company is committed the implementation of operational and strategic profit enhancing initiatives that deliver consistent financial performance, provide a sustainable return to its shareholders and maintain Balance Sheet strength of the Company".

About Hammond Power Solutions Inc.

Hammond Power Solutions Inc. (the "Company") is a North American leader for the design and manufacture of dry-type 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:

W.G. (Bill) Hammond, Chairman & CEO (519) 822 - 2441

Chris R. Huether, CFO & Secretary

If you would prefer to receive press releases via email contact Investor Relations at:
(ir@hammondpowersolutions.com).