



For Immediate Release: April 17, 2008

HAMMOND POWER SOLUTIONS INC.

Quarter 1, 2008 - Strategies Deliver Sales and Earnings Growth

Three Months ended: March 29

	2008	2007	Change
Sales	\$ 48,356,000	\$ 40,226,000	\$ 8,130,000
Earnings from Operations	5,347,000	5,707,000	(360,000)
Net Earnings	5,120,000	3,584,000	1,536,000
Earnings per Share			
Basic	.44	.31	.13
Diluted	.43	.31	.12

Guelph, Ontario, April 17, 2008 - Hammond Power Solutions Inc., ("HPS") (TSX: HPS.A) today announced results for the First Quarter 2008:

Sales for the quarter ended March 29, 2008 were \$48,356,000 up \$ 8,130, 000, or 20.2% from the comparative quarter last year, and were \$10,149,000, or 27.5% higher than Quarter 4, 2007.

HPS continued to show growth in the U. S. and Canadian electrical markets particularly in the North American Electrical Distributor (NAED), capital equipment, utility, mining equipment, power conditioning and oil and gas pumping markets in the quarter.

Sales growth initiatives delivered a 24.1% increase in bookings over the same quarter last year and a 27.0% increase over Quarter 4, 2007. Despite capacity increases, booking rates outstripped our shipping levels, resulting in a backlog rise of 50.3% from Quarter 1, 2007, and 33.1% from Quarter 4, 2006.

"The Company continues to succeed with its market expansion and channel growth in the United States and Canada. We expect that combined organic and new customer sales expansion, manufacturing agility, and our multinational operations capabilities, will sustain sales growth going forward and maintain our positive revenue and profitability trends" Mr. Hammond commented.

Gross margin rates for the quarter finished at 28.1%, versus 29.8% in Quarter 1, 2007 a decrease of 1.7%. First Quarter 2008 gross margin dollars continue to grow as a result of our increased sales levels, favourable product mix and increased manufacturing throughput.

"Mr. Hammond stated, "This margin decline is a result of the negative impact that a stronger Canadian dollar has on our Canadian manufactured products sold in the United States, and increased copper and steel commodity costs. Compared to Quarter 1, 2007 current quarter gross margin rates were burdened with 31% higher copper raw material costs and the negative impact of a 17% stronger Canadian dollar, I am pleased that despite these pressures, our gross margin dollars were up over 13% from the same quarter last year."

Earnings from operations in Quarter 1, 2008 decreased \$360,000 or 6.3% from the same quarter last year, finishing at \$5,347,000 in the quarter, as compared to \$5,707,000 in Quarter 1, 2007. Higher copper raw material costs and the negative effects of a higher Canadian dollar impaired our earnings from operations in the quarter. The difference in the U.S. foreign exchange rate impacted our earnings by approximately \$800,000. Our sales growth strategies in Canada and the United States, the implementation of market specific selling price increases, cost reduction initiatives, and higher manufacturing throughput, significantly offset this negative foreign exchange impact.

Net earnings for Quarter 1, 2008, grew by \$1,536,000 or 42.9%, finishing at \$5,120,000 compared to \$3,584,000, in Quarter 1, 2007. There were four contributing factors to this increase:

- Sales growth and increased margin dollars from ongoing operations
- The gain on the sale of HPS' equity investment and associated properties of Moloney Electric Inc.
- The elimination of the operational earnings from Moloney Electric Inc. as a result of the sale of the business.
- The acquisition of Delta Transformers Inc.

Cash used by operations for Quarter 1, 2008 was \$2,824,000, versus \$4,133,000, in Quarter 1, 2007 a decrease in usage of \$1,309,000. Working capital usage resulted from increased accounts receivable and inventory requirements to support sales growth and lower accounts payable levels from year end. Increased net earnings for Quarter 1, 2008 partially offset our heavy working capital requirements in the Quarter.

Overall operating lines of credit and long term debt, net of cash balances totaled \$6,689,000, as at March 29, 2008 an increase of \$2,067,000 as compared to a balance of \$4,622,000 as at March 31, 2007.

Mr. Hammond concluded, "Looking forward, we are mindful of the growing concern of an economic slowdown in North America. We are upbeat about our momentum going forward."

About: Hammond Power Solutions Inc.

Hammond Power Solutions Inc. (the "Company" or "HPS") is the North American leader for the design and manufacture of dry-type custom electrical engineered and 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 three manufacturing plants in Canada, one in the United States and one in Mexico.

This press release contains forward-looking statements. These statements are based on HPS management's assumptions and beliefs in light of the information currently available to them. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. When relying on forward-looking statements to make decisions, HPS cautions readers not to place undue reliance on these statements, as a number of important factors could cause actual results to differ materially from any intentions expressed in such forward-looking statements. HPS does not undertake to update any forward looking statements that may be made from time to time by or on behalf of HPS.

FOR FURTHER INFORMATION PLEASE CONTACT:

Dawn Henderson
Manager Investor Relations
519-822-2060 x 414

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