



For Immediate Release: March 14, 2011

**HAMMOND POWER SOLUTIONS INC.
ANNOUNCES ACQUISITION OF ITALIAN TRANSFORMER COMPANY**

HPS to acquire Euroelettro spa

Guelph, Ontario, March 14, 2011 – Hammond Power Solutions Inc. (“HPS”) today announced that it has signed a definitive agreement with Euroelettro spa, Italy to acquire its transformer business.

Euroelettro is involved in the design and manufacture of standard and custom dry type distribution, cast coil and power transformers and has a reputation in the industry for product reliability and quality. Euroelettro has annual sales revenues of approximately Cdn \$15,000,000.

Bill Hammond, Chief Executive Officer of Hammond Power Solutions Inc. stated, “After more than two years of looking for the right company in Europe, we are very pleased to acquire Euroelettro. This company will not only give HPS a platform for expansion into the European market, but will also give us design and manufacturing capabilities in cast coil technology and the addition of cast coil designs to our already broad dry transformer product offering will help HPS grow even more in North America as well as in other global markets. Euroelettro has an excellent reputation in the electrical industry for its engineered to order capabilities and quality.”

The deal is expected to close in mid March, 2011.

About Hammond Power Solutions Inc.

Hammond Power Solutions Inc. (TSX:HPS.A) 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. HPS has two manufacturing plants in Canada, one in the United States and two 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.

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