

Alamo Group Completes Acquisition of Bush Hog

SEGUIN, Texas (Oct. 23, 2009) — Effective Oct. 22, Alamo Group Inc. completed the acquisition of the majority of the assets of Bush Hog LLC according to the terms and conditions which were previously announced on Sept. 4, 2009.

As consideration for the assets acquired, the Company issued 1.7 million unregistered shares of Alamo Group Inc. common stock (\$.10 par value) and assumed certain operating liabilities, though no funded debt.

Bush Hog is the leading manufacturer of agricultural mowing equipment in North America and has the most recognized name in the industry. The combination of Bush Hog's product line with Alamo Group's range of agricultural mowers marketed under the Rhino, Schulte, Spearhead, Bomford, McConnel and Twose brands, creates the largest manufacturer of agricultural mowers in the world.

Bush Hog had revenues of approximately \$160 million for the fiscal year ended December 31, 2008, though, due to the current economic weakness and restructuring taking place within the business, we estimate their sales for all of 2009 will be in the range of \$110 million.

Ron Robinson, Alamo Group's President and Chief Executive Officer commented, "This is a great opportunity for our Company and will significantly expand our North America agricultural footprint. While Bush Hog will continue to be run as a separate brand through its existing sales network, we believe there are very positive operational synergies that will result from this combination."

"The acquisition will probably not be accretive to Alamo Group in the remainder of 2009 due to the weak market conditions and reorganization costs that typically come with such a transaction. But, we believe it will add to our results in 2010 and positions us well to benefit from the eventual recovery of the market place."

Alamo Group is a leader in the design, manufacture, distribution and service of high quality equipment for right-of-way maintenance and agriculture.

Source: *Alamo Group Inc.*