

**For: Alamo Group Inc.**

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**For Immediate Release**

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**ALAMO GROUP INC. ANNOUNCES PLANT CONSOLIDATION**

SEGUIN, Texas, October 21, 2011 – Alamo Group Inc. (NYSE:ALG) today announced that it will close its SMC plant in Sioux Falls, South Dakota and consolidate the operations into the Company's Gibson City, Illinois facility. This transition will begin in the fourth quarter of 2011 and should be complete in early 2012. The consolidation will result in a pre-tax restructuring charge in the fourth quarter of 2011 of approximately \$0.7 million. Additionally, the Company is reviewing options for the sale of the SMC plant and anticipates a gain on the sale of the facility when it occurs.

Approximately 77 employees at SMC will be affected by the consolidation and the Company will work with state and local government agencies to provide assistance in this transition.

Tiger Corporation, another Alamo Group facility located in Sioux Falls, will be unaffected by this change.

Alamo Group is a leader in the design, manufacture, distribution and service of high quality equipment for right-of-way maintenance and agriculture. Our products include truck and tractor mounted mowing and other vegetation maintenance equipment, street sweepers, snow removal equipment, pothole patchers, excavators, vacuum trucks, agricultural implements and related aftermarket parts and services. The Company, founded in 1969, had approximately 2,400 employees and operates eighteen plants in North America and Europe as of September 30, 2011. The corporate offices of

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Alamo Group Inc. are located in Seguin, Texas and the headquarters for the Company's European operations are located in Salford Priors, England.

*This release contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the Company's actual results in future periods to differ materially from forecasted results. Among those factors which could cause actual results to differ materially are the following: market demand, competition, weather, seasonality, currency-related issues, general economic conditions and other risk factors listed from time to time in the Company's SEC reports. The Company does not undertake any obligation to update the information contained herein, which speaks only as of this date.*

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