



**For: Alamo Group Inc.**

Contact: Robert H. George  
Vice President  
830-372-9621

**Financial Relations Board**  
Marilynn Meek  
212-827-3773

## **ALAMO GROUP COMPLETES ACQUISITION OF UNITS OF SPECIALIZED INDUSTRIES**

SEGUIN, Texas, May 13, 2014 -- Alamo Group Inc. (NYSE: ALG) announced today that it has completed the previously announced acquisition of the operating units of Specialized Industries, LP, a portfolio Company of ELB Capital Management, LLC, for a total consideration of approximately \$190 million, on a debt free basis and subject to certain post-closing adjustments. This includes the businesses of Super Products LLC, Wausau-Everest LP and Howard P. Fairfield LLC.

Super Products is a manufacturer of vacuum trucks and related equipment, parts and service. Wausau-Everest is a manufacturer of snow removal equipment and Howard P. Fairfield is a dealer/distribution operation primarily in the New England area. Together, the three businesses had net sales of \$146.7 million in the fiscal year ending December 31, 2013. Earnings from Operations and Adjusted Earnings before interest, taxes, depreciation and amortization for the year for the acquired businesses were approximately \$13.1 million and \$24.1 million, respectively<sup>1</sup>.

Super Products and Wausau-Everest are both based in New Berlin, Wisconsin and Howard P. Fairfield is based in Skowhegan, Maine. The units in total have approximately 440 employees. Specialized's President and CEO, Rod Winter, will continue as head of the operations, which will now become part of Alamo's North American Industrial Division led by Jeff Leonard, Executive Vice President of Alamo's Industrial Division.

<sup>1</sup> The acquired businesses' adjusted earnings from operations before interest, taxes, depreciation and amortization is a non-GAAP financial measure. Although adjusted earnings from operations before interest, taxes, depreciation and amortization is not a GAAP financial measure, Alamo's management believes it is of interest to investors in relation to the overall operational performance of the acquired businesses. A reconciliation between the acquired businesses earnings from operations on a GAAP basis and adjusted earnings from operation before interest, taxes, depreciation and amortization is attached hereto.

Ron Robinson, Alamo Group's President and Chief Executive Officer commented, "We are pleased to complete this acquisition given its scale and the strategic opportunity it represents for Alamo. Specialized is a well-run organization whose products are complementary to Alamo's existing lines. In addition, they have a strong management team that we are looking forward to having as part of Alamo Group. As is our general practice, we intend to maintain the Specialized brands and product names in the market place."

In connection with the acquisition, Alamo expanded its revolving credit facility from \$100 million to \$250 million to accommodate this event and the needs of the combined entities. The credit facility also includes the opportunity to expand the borrowing capacity by up to \$50 million to an aggregate size of \$300 million, subject to certain conditions set forth in the facility.

Alamo Group is a leader in the design, manufacture, distribution and service of high quality equipment for infrastructure maintenance, agriculture and other applications. Our products include truck and tractor mounted mowing and other vegetation maintenance equipment, street sweepers, snow removal equipment, excavators, vacuum trucks, other industrial equipment, agricultural implements and related after-market parts and services.

The Company was founded in 1969 and, including the units of Specialized, has over 3,000 employees and operates 24 manufacturing plants in North America, Europe and Australia. The corporate offices of 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. The words "anticipate," "preliminary," "expect," "believe," "intend" and similar expressions identify forward-looking statements. These statements reflect Alamo's current beliefs and are based on information currently available to it. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such statements. Among those factors which could cause actual results to differ materially are the following: market demand, competition, weather, seasonality, currency-related issues, 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.*

###

**Alamo Group Inc.**  
**Specialized Industries**  
**Non-GAAP Financial Reconciliation**  
(in thousands)

	<u>2013</u>
Earnings from Operations	<b>\$ 13,222</b>
Adjustments (Pre-tax)	
- Deferred Compensation	4,622
- Depreciation & Amortization	<u>6,290</u>
Adjustments (Pre-tax)	<u>10,912</u>
Adjusted Earnings before interest, taxes, depreciation and amortization	<b><u>\$ 24,134</u></b>