

January 7, 2015

## RectorSeal, a Capital Southwest Corporation Portfolio Company, Announces Acquisition of Sure-Seal, LLC

DALLAS, Jan. 7, 2015 (GLOBE NEWSWIRE) -- The RectorSeal Corporation, a leading Houston, Texas-based manufacturer of chemical and specialty products for professional tradesmen, has acquired the assets of Sure-Seal, LLC ("SureSeal" or the "Company"), based in Tacoma, Washington. SureSeal manufactures and distributes the leading brand of waterless floor drain trap seals. RectorSeal has been a portfolio company of Capital Southwest Corporation (Nasdaq:CSWC) since 1967.

"With the acquisition of SureSeal, RectorSeal continues to build upon its track record for identifying and executing strategic acquisitions that profitably expand its product offering," said Joseph B. Armes, Chairman and Chief Executive Officer of Capital Southwest.

The acquisition of SureSeal represents the 27th acquisition by RectorSeal since 1991.

"SureSeal is established as the premier brand in this category, therefore it's a natural fit that provides RectorSeal with an outstanding growth opportunity." said David Smith, President of RectorSeal.

RectorSeal continues to seek acquisitions and partnership opportunities with manufacturers serving the plumbing, HVAC/R, electrical and fire protection markets.

Terms of the transaction were not disclosed.

### About RectorSeal

The RectorSeal® Corporation is a leading manufacturer of chemical and specialty products designed for professional tradesmen. Steady growth over the years has been maintained through a commitment to providing high quality products and services. With a diversified business strategy, RectorSeal aggressively pursues new and unique technologies to serve the plumbing, heating, air conditioning, electrical and construction industries. The RectorSeal Corporation is devoted to providing innovative quality products supported by strong customer and technical service. For more information, visit [www.rectorseal.com](http://www.rectorseal.com), email: marketing@rectorseal.com or call (800) 231-3345.

### About Capital Southwest Corporation

Capital Southwest Corporation (Nasdaq:CSWC) is a Dallas, Texas based publicly traded business development company, with approximately \$750 million in assets, whose objective is to achieve current income and capital appreciation through investments in privately held businesses. On December 2, 2014, Capital Southwest announced its intent to separate into two public companies through the spinoff of certain of its control assets into a diversified growth company and the refocusing of the BDC on lending to strong middle market companies. As a result, our new investment activity is focused on senior "unitranche" debt, subordinated debt and equity co-investments to support the acquisition and growth of middle market companies. Our control companies are actively seeking growth through strategic acquisitions. Since Capital Southwest was formed in 1961, we have always sought to invest in companies with strong management teams and sound financial performance. As a public company, we are fortunate to have the flexibility to be creative in our financing structures and to invest to support the growth of our portfolio companies with a uniquely long term perspective.

### Forward-Looking Statements

This press release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 relating to, among other things, the manner, tax-free nature and expected benefits associated with the proposed spin-off of certain of CSWC's control assets into a new, independent, publicly traded company ("Industrial Co."), the expected timing of the completion of the transaction and the business, financial condition and results of operations of CSWC, including the businesses of Industrial Co. Any statements preceded or followed by or that include the words "believe," "expect," "intend," "plan," "should" or words, phrases or similar expressions or the negative thereof, are intended to identify forward-looking statements. These statements are made on the basis of the current beliefs, expectations and assumptions of the management of CSWC. There are a number of risks and uncertainties that could cause CSWC's actual results to differ materially from the forward-looking statements included in this communication. These risks and uncertainties include, but are not limited to, risks

relating to CSWC's ability to obtain all necessary approvals to complete, and to otherwise complete, the proposed spin-off transaction and to achieve the expected benefits therefrom.

In light of these risks, uncertainties, assumptions, and other factors inherent in forward-looking statements, actual results may differ materially from those discussed in this communication. Other unknown or unpredictable factors could also have a material adverse effect on CSWC's actual future results, performance, or achievements. For a further discussion of these and other risks and uncertainties applicable to CSWC and its business, see CSWC's Annual Report on Form 10-K for the fiscal year ended March 31, 2014 and subsequent filings with the Securities and Exchange Commission (the "SEC"). As a result of the foregoing, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this communication. CSWC does not assume any obligation to update these forward-looking statements to reflect any new information, subsequent events or circumstances, or otherwise, except as may be required by law.

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