



June 17, 2015

Capital Southwest Subsidiary Files Registration Statement With SEC to Effect Spin-Off

New Company to be Named CSW Industrials, Inc.

DALLAS, June 17, 2015 (GLOBE NEWSWIRE) -- Capital Southwest Corporation (Nasdaq:CSWC) ("Capital Southwest") today announced that its wholly-owned subsidiary, CSW Industrials, Inc. ("CSWI"), has filed a registration statement with the Securities and Exchange Commission in connection with the proposed spin-off of Capital Southwest's industrial products, coatings, sealants and adhesives and specialty chemicals businesses into a standalone, publicly traded company.

Following the spin-off, Capital Southwest will continue as a business development company refocused on a lending strategy more appropriate for its corporate and regulatory structure.

"The filing of the registration statement is an important step in our plan to establish CSWI as a separately traded public entity," said Joseph B. Armes, Capital Southwest's Chairman and Chief Executive Officer, who, following the spin-off will be the Chairman and Chief Executive Officer of CSWI. "We are confident that establishing these two highly focused companies, each with its optimal corporate structure, will allow our shareholders to more fully benefit from the compelling value creation opportunities associated with each business."

The spin-off will be effected by a distribution of CSWI shares on a pro rata basis to the shareholders of Capital Southwest as a special dividend. The registration statement includes a preliminary Information Statement about the terms and conditions of the spin-off, as well as important information about CSWI as a standalone business, including CSWI's financial information and operating and growth strategies. Shareholders who want more information regarding the spin-off of CSWI, including the potential benefits and risks associated with the transaction, should review the registration statement, which is available on the SEC's website at www.sec.gov.

The completion of the spin-off is subject to a number of conditions including the receipt of a favorable opinion with respect to the tax-free nature of the transaction for federal income tax purposes and final approval by the Capital Southwest board of directors. The spin-off is not subject to a Capital Southwest shareholder vote.

About CSW Industrials, Inc.

Upon completion of the planned spin-off from Capital Southwest, CSW Industrials, Inc. (CSWI) will be a diversified industrial growth company with well-established, scalable platforms and deep domain expertise across three segments: industrial products; coatings, sealants and adhesives; and specialty chemicals. CSWI expects to focus on generating free cash flow by growing organically and through complementary and synergistic acquisitions.

About Capital Southwest Corporation

Capital Southwest is a Dallas-based publicly traded business development company ("BDC"), with approximately \$775 million in assets. On December 2, 2014, Capital Southwest announced its intent to separate into two public companies through the spin-off of certain of its control assets into a diversified industrial growth company and the refocusing of the BDC on lending to strong middle market companies. As a result, Capital Southwest's new investment activity is focused on senior "unitranche" debt, second lien and subordinated debt, as well as equity co-investments to support the acquisition and growth of middle market companies. The control companies that will be contributed by Capital Southwest to CSW Industrials, Inc. prior to the spin-off are actively seeking growth through add-on acquisitions. Since Capital Southwest's formation in 1961, it has always sought to invest in companies with strong management teams and sound financial performance. As a public company, Capital Southwest is fortunate to have the flexibility to be creative in its financing structures and to invest to support the growth of its portfolio companies over long periods of time.

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 Capital Southwest's control assets into CSWI, a new, independent, publicly traded company, the expected timing of the completion of the spin off and the business, financial condition and results of operations of Capital Southwest, including the businesses of CSWI. 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 Capital Southwest. There are a number of risks and uncertainties that could cause Capital Southwest'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 Capital Southwest'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 Capital Southwest's actual future results, performance, or achievements. For a further discussion of these and other risks and uncertainties applicable to Capital Southwest and its business, see Capital Southwest's Annual Report on Form 10-K for the fiscal year ended March 31, 2015 and subsequent filings with the Securities and Exchange Commission. 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. Capital Southwest 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.

Investor Relations Contacts:

Garrett Edson or Michael Callahan

ICR, Inc. Garrett.Edson@icrinc.com | 203-682-8331, Michael.Callahan@icrinc.com | 203-682-8311

Media Contacts:

Phil Denning or Jason Chudoba

ICR, Inc.

Phil.Denning@icrinc.com | 646-277-1258, Jason.Chudoba@icrinc.com | 646-277-1249