



October 1, 2015

## **Capital Southwest Corporation Completes Spin-Off of CSW Industrials**

### **Bowen S. Diehl Named Chief Executive Officer of Capital Southwest**

DALLAS, Oct. 01, 2015 (GLOBE NEWSWIRE) -- Capital Southwest Corporation (Nasdaq:CSWC) ("CSWC") announced that it completed its previously announced spin-off of CSW Industrials, Inc. (Nasdaq:CSWI) ("CSWI"). Starting today, CSWI will begin "regular way" trading on the Nasdaq Stock Market under the ticker symbol "CSWI." Shares of CSWC's common stock will continue to trade on the Nasdaq Stock Market under the ticker symbol "CSWC."

CSWC completed the tax-free spin-off of CSWI (the "Share Distribution") through a pro-rata distribution of CSWI's common stock to CSWC shareholders of record as of the close of business on September 18, 2015 (the "Record Date"). CSWC shareholders received one share of CSWI common stock for every one share of CSWC common stock held on the Record Date.

As previously announced, upon completion of the Share Distribution, Bowen S. Diehl was appointed President and Chief Executive Officer of CSWC, and Michael S. Sarner was appointed Chief Financial Officer, Chief Compliance Officer, Secretary and Treasurer of CSWC.

"This is an exciting day in the history of CSWC as we have completed the spin-off of CSW Industrials," said Mr. Diehl. "With the completion of the spin-off, we are now solely focused on executing our investment strategy of lending to middle-market companies across a diverse set of industries, and we have made significant progress in divesting our legacy minority equity investments and redeploying the proceeds in debt investments. Through our robust origination platform, we continue to expand our pipeline of investment opportunities, having invested in eight middle market credits representing \$42 million in capital. We are also excited about the creation of the I-45 senior loan fund partnership with Main Street Capital Corporation. We believe that I-45 compliments our lower middle market lending business and, together, provide our shareholders with a balanced portfolio with attractive risk adjusted returns that should support a consistent market dividend."

CSWI is 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.

The members of the CSWI senior management team are Joseph B. Armes, Chief Executive Officer, Christopher J. Mudd, President and Chief Operating Officer, and Kelly Tacke, Chief Financial Officer.

There are approximately 15.6 million shares of CSWI common stock outstanding after the Share Distribution. The distribution of these shares was made in book-entry form, which means that no physical stock certificates were issued.

Prior to the Share Distribution, CSWC and CSWI entered into a distribution agreement, a tax matters agreement, an employee matters agreement and various other agreements related to the Share Distribution, as described in CSWI's final information statement. CSWI's final information statement was sent to CSWC shareholders and can be found on CSWI's website at [www.cswindustrials.com](http://www.cswindustrials.com) under the Investors section as well as additional information regarding the Share Distribution.

Evercore acted as financial advisor and Jones Day acted as legal counsel to CSWC in connection with the Share Distribution.

### **About Capital Southwest Corporation**

Capital Southwest Corporation is a Dallas-based publicly traded business development company ("BDC"). Since its December 2, 2014 initial announcement of its intent to spin-off its industrial businesses to CSWC shareholders, CSWC has focused its new investment activity 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. Since CSWC's formation in 1961, it has always sought to invest in companies with strong management teams and sound financial performance. As a public company, CSWC has 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 that are based on management's current expectations, assumptions

and beliefs. Forward-looking statements can often be identified by words such as "will" and similar expressions, and variations or negatives of these words. These forward-looking statements include, but are not limited to, statements regarding the trading of the common stock of CSWC and CSWI following the Share Distribution. They are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statement.

Readers should not place undue reliance on any forward-looking statements and are encouraged to review CSWC's Annual Report on Form 10-K for the year ended March 31, 2015 and subsequent filings with the Securities and Exchange Commission (the "SEC") and CSWI's final information statement and CSWI's Form 10 registration statement, filed with the SEC, for a more complete discussion of the risks and other factors that could affect any forward-looking statements. Except as required by the federal securities laws, CSWC does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changing circumstances or any other reason after the date of this press release, except as required by law.

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