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Capital Southwest Corporation Acquires Strathmore Products, Inc.

Establishes Presence and Platform for Growth in the Industrial Coatings Sector

DALLAS, April 29, 2015 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest") (Nasdaq:CSWC) today announced that its affiliate, The Whitmore Manufacturing Company ("Whitmore"), a leading Rockwall, Texas-based provider of innovative products and services which increase the reliability, productivity and lifespan of mission critical operating equipment, has acquired substantially all of the assets of Strathmore Products, Inc. ("Strathmore" or the "Company"), based in Syracuse, New York. Strathmore is a leading manufacturer of industrial coatings with manufacturing facilities in Syracuse and Longview, Texas.

"With the acquisition of Strathmore, we now have a meaningful market presence in the industrial coatings sector and a platform from which to grow through end-market and geographic expansion as well as through the execution of strategic acquisitions," said Joseph B. Armes, Chairman and Chief Executive Officer of Capital Southwest. "This acquisition will support and strengthen our previously announced spin-off of certain Capital Southwest control assets into its own diversified industrial growth company."

In December 2014, Capital Southwest announced its intention to spin-off certain of its control assets, including Whitmore, which has been a portfolio company of the Company since 1971, to form a publicly traded, diversified industrial growth company. The spin-off is expected to be consummated by the end of the third quarter of 2015.

"Strathmore will be joining Whitmore, RectorSeal, Jet-Lube and several other affiliated companies in the Capital Southwest family," said Christopher J. Mudd, Senior Vice President of Capital Southwest. "Each of these companies are leaders in their respective market segments and share a common history of providing high-quality products to help their customers optimize their performance and become more successful. The fit of Strathmore into our portfolio could not be better."

"This transaction is a clear endorsement of the growth and success Strathmore has achieved," added William M. Udovich, Strathmore president. We are very excited to have the opportunity to become part of Capital Southwest and believe its philosophy of supporting long-term investments in assets and employees will enhance our ability to compete in the marketplace and execute our growth strategies. Such a long-term commitment is critical to delivering market-leading products for our customers."

"The acquisition of Strathmore is an example of the opportunities we see for creating a standalone industrials business focused on generating free cash flow through organic and acquisition-based growth. We continue to assess strategic acquisitions that either build-out existing industry verticals or provide an entry into new, complementary industry verticals where we can enhance performance and create value," concluded Mr. Armes.

Terms of the transaction were not disclosed.

About Capital Southwest

Capital Southwest Corporation (Nasdaq:CSWC) is a Dallas, Texas-based publicly traded business development company, with approximately \$750 million in assets. 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 industrial growth company and the refocus 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 add-on 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 over long periods of time.

About Whitmore

Established in 1893, The Whitmore Manufacturing Company is a global leader in providing innovative products and services that increase the reliability, productivity and lifespan of mission critical operating equipment. We manufacture reliability products, high performance lubricants, friction modifiers, rail lubrication equipment, lubrication management systems, coatings,

sealants and cleaners designed to meet the specific needs of each industry and application. Customers worldwide rely on Whitmore to deliver the custom engineered solutions industry counts on for the most adverse conditions and demanding environments. For more information, visit www.whitmores.com.

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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