



March 1, 2016

Capital Southwest Announces \$0.04 Per Share Dividend for Quarter Ended March 31, 2016

First Quarterly Dividend Paid Since the Spin-Off of CSW Industrials

DALLAS, March 01, 2016 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest" or the "Company") (Nasdaq:CSWC) today announced its Board of Directors has declared a \$0.04 dividend per share for the quarter ended March 31, 2016. This is the first quarterly dividend since the spin-off of CSW Industrials.

"We are pleased to distribute to shareholders the first of many dividends to come generated from our new credit investment portfolio. Delivering shareholder value through dividends and stock appreciation is our primary goal. We believe the strategy and infrastructure we have put in place will allow us to achieve this goal on a consistent basis," commented Bowen S. Diehl, Capital Southwest's President and Chief Executive Officer.

The Company's dividend will be payable as follows:

March 31, 2016 Quarterly Dividend

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|-------------------|----|----------------|
| Amount Per Share: | \$ | 0.04 |
| Ex-Dividend Date: | | March 11, 2016 |
| Record Date: | | March 15, 2016 |
| Payment Date: | | April 1, 2016 |

When declaring dividends the Board of Directors reviews estimates of taxable income available for distribution, which may differ from net investment income under generally accepted accounting principles. The final determination of taxable income for each year, as well as the tax attributes for dividends in such year, will be made after the close of the tax year.

Capital Southwest maintains a dividend reinvestment plan ("DRIP") that provides for the reinvestment of dividends on behalf of its registered stockholders who hold their shares with Capital Southwest's transfer agent and registrar, American Stock Transfer and Trust Company. Under the DRIP, if the Company declares a dividend, registered stockholders who have opted in to the DRIP by the dividend record date will have their dividend automatically reinvested into additional shares of Capital Southwest common stock.

About Capital Southwest

Capital Southwest Corporation (Nasdaq:CSWC) is a Dallas, Texas-based publicly traded business development company, with approximately \$271 million in net assets as of December 31, 2015. On September 30, 2015, Capital Southwest completed the spin-off to shareholders of its industrial businesses, CSW Industrials, Inc. Capital Southwest is a credit investment firm focused on supporting the acquisition and growth of middle market businesses with \$5 to \$20 million investments across the capital structure, including first lien, unitranche, second lien and subordinated debt, as well as non-control equity co-investments. 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 with a permanent capital base, Capital Southwest is fortunate to have the flexibility to be creative in its financing solutions and to invest to support the growth of its portfolio companies over long periods of time.

Forward-Looking Statements

This press release contains historical information and forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 with respect to the business and investments of Capital Southwest. Forward-looking statements are statements that are not historical statements and can often be identified by words such as "will," "believe," "expect" and similar expressions, and variations or negatives of these words. These statements are based on management's current expectations, assumptions and beliefs. They are not guarantees of future results and are subject to numerous risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statement. These risks include risks related to changes in the markets in which Capital Southwest invests, changes in the financial and lending markets and general economic and business conditions.

Readers should not place undue reliance on any forward-looking statements and are encouraged to review Capital Southwest's Annual Report on Form 10-K for the year ended March 31, 2015 and subsequent filings with the Securities and Exchange Commission 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, Capital Southwest 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.

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