

January 6, 2015

## **Capital Southwest Corporation Names Christopher J. Mudd as Senior Vice President of Operations and President & Chief Operating Officer of Industrial Co.**

DALLAS, Jan. 6, 2015 (GLOBE NEWSWIRE) -- Capital Southwest Corporation (Nasdaq:CSWC) ("Capital Southwest" or "CSWC") today announced Christopher J. Mudd has joined the Company as Senior Vice President of Operations. Following the previously announced spin-off transaction, Mr. Mudd will serve as President and Chief Operating Officer of the Industrial Company.

"Chris has deep industry knowledge and experience, having spent over 30 years in the manufacturing and specialty chemicals sector, and, in his previous roles, has successfully executed strategies to drive organic growth while improving margins and capital efficiency," said Joseph B. Armes, Chairman and Chief Executive Officer of Capital Southwest. "His broad-based background ideally suits him to prepare the Industrial Company to operate as an independent entity, drive growth both organically and through integrated acquisitions, and establish a culture of operational excellence across the new Company following the transaction."

"I am excited to join Capital Southwest and be part of this transformational process," said Mr. Mudd. "Capital Southwest owns some truly exceptional businesses, and I am honored to help lead such a well-established and scalable portfolio."

Prior to joining Capital Southwest, Mr. Mudd served as President and General Manager of Dexco Polymers LP, a subsidiary of Taiwan-based TSRC Corporation, where he held full P&L responsibility and directly managed all of the subsidiary's operations including production, supply chain, business development, R&D, sales and marketing. Mr. Mudd spent the majority of his career in various leadership positions at Dow Chemical prior to being promoted in 2003 as the President of Dexco, a 50/50 joint venture of Dow and ExxonMobil, which was subsequently sold to TSRC in 2011. Mr. Mudd holds a Bachelor of Science in Chemical Engineering from The University of Texas at Austin.

### **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.

CONTACT: 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