



October 13, 2015

Capital Southwest Announces Investment in Freedom Truck Finance and Other Credit Portfolio Activity

Commits and funds credit facility to support growth of Freedom Truck Finance

Details other investment activity in the second lien market

DALLAS, Oct. 13, 2015 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest") (Nasdaq:CSWC) announced today that it committed to \$21.8 million in new credit investments for the quarter ended September 30, 2015.

Freedom Truck Finance

Capital Southwest committed \$7.5 million to lead the last-out portion of a unitranche asset-based credit facility for Freedom Truck Finance, LLC ("Freedom Truck Finance"), a Dallas-based secondary truck finance company specializing in the acquisition and management of sub - prime commercial truck loans to independent owner operators. Triumph Commercial Finance, a division of TBK Bank, SSB (member of Triumph Bancorp, Inc. (Nasdaq:TBK) led the first-out tranche of the facility and serves as administrative agent.

"We are pleased to have the opportunity to contribute to the continued growth of Freedom Truck Finance," said Bowen Diehl, President and Chief Executive Officer of Capital Southwest. "We have known the principals at Freedom for many years and know them to be of the highest character and have a stellar track record as entrepreneurs in creating significant value in the secondary finance industry."

Douglas Kelley, Managing Director of Capital Southwest, added "Freedom Truck Finance operates a proven collateral-based approach to credit that allows independent owner operators to stand on their own merits and truck dealers to support a broader range of customers, which we think is unique and will be transformative in the industry. Our investment in Freedom Truck Finance is representative of our commitment to providing junior capital to support strong management teams of growing middle market businesses that generate attractive risk-adjusted returns to our shareholders."

"We are grateful for Capital Southwest's support and role in our growth at this exciting stage of our development," said Blake Bozman, Managing Director of Freedom Truck Finance. "They delivered on what they said they would do, and took a partnership approach to the documentation negotiation and closing process."

Freedom Truck Finance was established in 2013 by former principals of Drive Financial Services, LP, which specialized in the purchase, securitization, and servicing of new and used sub-prime automobile loans and was sold to Banco Santander, S.A. in 2006 for \$636 million. Leveraging this past success and experience, Freedom Truck Finance partners with commercial truck dealers in 18 states to provide prudent financing alternatives to independent owner operators with a commitment to unsurpassed customer support.

Second Lien Market Activity

In the quarter ended September 30, 2015, Capital Southwest invested \$14.3 million in four second lien credits with weighted average effective yields of 10.3% through the primary and secondary markets. A summary of those investments is provided below:

Bob's Discount Furniture LLC (Secondary Purchase): Bob's Discount Furniture is an everyday low price furniture and bedding retailer with 63 showrooms in 11 states in the Northeast and mid-Atlantic regions.

Cast & Crew Entertainment Services, LLC (Primary Issuance): Cast & Crew provides payroll and production accounting solutions to the entertainment industry through 11 offices in the United States, Canada, and the United Kingdom.

Royal Holdings, Inc. (Primary Issuance): Royal Adhesives and Sealants is a leading global manufacturer and marketer of high performance adhesives, sealants, encapsulants and polymer coatings for use in a variety of markets.

Pre-Paid Legal Services, Inc. (Secondary Purchase): Pre-Paid Legal Services, d/b/a LegalShield, is the largest provider of

subscription-based legal and identity theft plans to the North American market.

About Capital Southwest Corporation

Capital Southwest Corporation is a Dallas-based, publicly traded, internally-managed business development company ("BDC") with approximately \$275 million in net assets. 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 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. 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. 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, except as required by law.

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