



January 21, 2015

## **Capital Southwest Corporation Names Douglas M. Kelley as Senior Vice President and Managing Director**

DALLAS, Jan. 21, 2015 (GLOBE NEWSWIRE) -- Capital Southwest Corporation (Nasdaq:CSWC) ("Capital Southwest" or "CSWC") today announced that Douglas M. Kelley has joined the Company as Senior Vice President and Managing Director, and as a senior member of the Capital Southwest investment team, reporting to Bowen Diehl, Chief Investment Officer.

"We are well on our way to launching our previously announced credit-focused investment strategy of lending to strong middle-market companies, and the inclusion of Doug onto the Capital Southwest team is another pivotal step," said Mr. Diehl. "Doug's broad network of relationships across the private equity industry will make a significant impact on our origination and deal execution capability. His long and impressive track record of originating, structuring, closing and managing a portfolio of debt and equity investments will give us the horsepower necessary to build our business and create shareholder value. Having previously worked with Doug for almost ten years and seeing firsthand how he operates, I am elated that he will be joining our team at Capital Southwest."

"I am excited to join Capital Southwest and be part of creating a new leader in our industry," said Mr. Kelley. "Capital Southwest has a very strong team and I believe a real opportunity to create lasting value for its shareholders. I look forward to hitting the ground running and making a positive impact on our business."

Prior to joining Capital Southwest, Mr. Kelley served as a Managing Director in the Sponsor Finance Group at American Capital, Ltd., where he managed investments representing over \$800 million in debt and equity capital in a variety of industries. During his tenure at American Capital, Mr. Kelley also served on eight boards of directors. Prior to American Capital, Mr. Kelley gained valuable mergers and acquisition and leverage finance experience as an investment banker at J.P. Morgan, The Beacon Group and Credit Suisse First Boston. Mr. Kelley earned a B.B.A. in Business Honors and Engineering Route to Business, and an M.B.A., both from the McCombs School at 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, slated to be part of the diversified growth company, 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 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.

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