

February 26, 2014

Capital Southwest Corporation Appoints Bowen S. Diehl Chief Investment Officer

Transformation of Management Team Continues

DALLAS, Feb. 26, 2014 (GLOBE NEWSWIRE) -- Capital Southwest Corporation (Nasdaq:CSWC) today announced the appointment of Bowen S. Diehl as Senior Vice President and Chief Investment Officer, effective March 17, 2014. Mr. Diehl brings almost 20 years of experience in sourcing, structuring, and managing investments in a variety of industries. Mr. Diehl comes to CSWC from American Capital, Ltd. where he has been a Managing Director since 2007. Mr. Diehl originally joined American Capital as a Vice President in 2001 and was promoted to Principal in 2004. During his tenure at American Capital, he has closed investments in 15 platform companies and numerous add-on acquisitions, representing over \$1.1 billion of invested capital. Mr. Diehl's investments have been in a variety of industries including industrial manufacturing, healthcare, business services, and consumer finance. Prior to joining American Capital, Mr. Diehl was a Vice President in Investment Banking at Merrill Lynch where he gained experience working with companies in the exploration and production, oilfield services, natural gas pipeline, natural gas gathering and processing, homebuilding and semiconductor sectors. Prior to joining Merrill Lynch, Mr. Diehl was a Vice President in the Global Oil and Gas Group at Chase Securities Inc., in New York, NY and then in Houston, TX, completing numerous transactions in the upstream and midstream oil and gas sectors.

Joseph B. Armes, Chairman, President and Chief Executive Officer of Capital Southwest, commented, "We are absolutely delighted to have Bowen join the Capital Southwest leadership team. He brings a long and successful track record of middle market investing and will provide valuable leadership in pursuing our objectives of building great companies and creating shareholder value."

Mr. Diehl stated, "I am pleased to join Capital Southwest and its talented leadership team. Capital Southwest is a unique investment platform that provides a compelling opportunity to create long-term shareholder value. I look forward to working with Joe and his team as we seek to deliver attractive risk adjusted returns for our shareholders."

Mr. Diehl earned a Bachelor of Engineering degree, with majors in Environmental/Geotechnical Engineering and Economics, from Vanderbilt University and a Masters of Business Administration from the University of Texas at Austin.

Mr. Diehl is replacing Glenn Neblett, who is leaving the company to pursue other opportunities. "I want to personally thank Glenn for the contributions he has made to the success of Capital Southwest over the past few years. We wish Glenn all the best," said Mr. Armes.

About Capital Southwest Corporation

Capital Southwest Corporation (Nasdaq:CSWC) is a Dallas, Texas-based publicly traded investment company that makes private equity investments. 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 hold investments indefinitely. It is our dedication to this patient investment strategy that enables our portfolio companies to achieve their full potential. Visit our website www.capitalsouthwest.com to learn about our investment criteria and how our capital can enhance your company's growth.

This press release may contain historical information and forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 with respect to the business, financial condition and results of operations of the Company. The words "believe," "expect," "intend," "plan," "should" and similar expressions are intended to identify forward looking statements. Such statements reflect the current views, assumptions and expectations of the Company with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in the markets in which the Company operates and in general economic and business conditions, competitive pressures, changes in business strategy and various other factors, both referenced and not referenced in this press release. Certain factors that may affect the Company and its results of operations, are included in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2013 and the Company's subsequent periodic filings with the Securities and Exchange Commission. The Company does not assume any obligation to update these forward-looking statements. This release may also contain non-GAAP financial measures. These measures are included to facilitate meaningful comparisons of our results to those in prior periods and future periods and to allow a better evaluation of our operating performance, in management's

opinion. Our reference to any non-GAAP measures should not be considered as a substitute for results that are presented in a manner consistent with GAAP. These non-GAAP measures are provided only to enhance investors overall understanding of our financial performance.

CONTACT: Media contacts:

Lisa LeMaster or

Rick Ericson

The LeMaster Group/(214)706-6000