



August 15, 2017

Capital Southwest Supports LKCM Headwater's Acquisition of Alliance Sports Group

DALLAS, Aug. 15, 2017 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest") (Nasdaq:CSWC) announced today that it supported the recent acquisition of Alliance Sports Group, L.P. and its related entities (collectively, "Alliance Sports Group") by LKCM Headwater Investments ("Headwater"), the private investment arm of Luther King Capital Management ("LKCM"). Capital Southwest invested \$10.1 million of subordinated notes and also made an equity co-investment in the transaction.

"We are pleased to have the opportunity to partner with the Headwater team on the acquisition of Alliance Sports Group," said Douglas Kelley, Managing Director of Capital Southwest. "We are impressed with the company's unique go-to-market strategy and believe that Headwater's experience in working with management teams to drive growth will benefit the company as it looks to continue to drive shareholder value in its next chapter."

Alliance Sports Group, headquartered in Grand Prairie, Texas, designs and markets a broad range of branded consumer products known for their innovative designs, unique features, and high quality across multiple product categories in the outdoor enthusiast and active lifestyle market. The Company distributes these products through six different brands: NEBO (flashlights and lighting tools), iProtec (lighting and firearm accessories), True Utility (utility and everyday carry tools), Bollinger (fitness accessories) and WeatherRite and Quarrow (outdoor lighting and fishing accessories).

About Capital Southwest

Capital Southwest Corporation (Nasdaq:CSWC) is a Dallas, Texas-based, Internally Managed Business Development Company, with approximately \$287.4 million in net assets as of June 30, 2017. Capital Southwest is a middle-market lending firm focused on supporting the acquisition and growth of middle market businesses. Capital Southwest makes investments ranging from \$5 to \$20 million in securities across the capital structure, including first lien, unitranche, second lien, subordinated debt and non-control equity co-investments. As a public company with a permanent capital base, Capital Southwest has 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, regulatory changes, tax treatment 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, 2017 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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