

CAPITAL SOUTHWEST ANNOUNCES SALE OF MARKETABLE SECURITIES

DALLAS – November 14, 2008 – Capital Southwest Corporation (Nasdaq: CSWC) announced today that it has sold certain of its unrestricted marketable securities generating proceeds of \$20,655,026 and resulting in a realized gain of \$15,984,688 or \$4.27 per share. Based on these transactions, it is probable that the Company will have taxable long-term capital gains for the tax year ending December 31, 2008.

These unrestricted marketable securities were sold in connection with its major share repurchase plan, which was announced on June 12, 2008. Capital Southwest Corporation announced it would fund its repurchase plan through the use of cash on hand and or proceeds from the sale of its unrestricted marketable securities.

As of September 30, 2008, prior to receiving proceeds from the sale of unrestricted marketable securities, Capital Southwest reported cash and cash equivalents of \$9,400,652 and unrestricted marketable securities of \$48,774,457, after expending \$16,903,346 to acquire 147,513 shares of common stock.

About Capital Southwest Corporation

Capital Southwest is a Dallas-based business development company that provides patient equity capital to exceptional businesses. As a public company, Capital Southwest has the flexibility to hold investments indefinitely, which has provided its portfolio company managers a stable ownership platform since its founding in 1961. For more information about Capital Southwest, visit the company's website at www.capitalsouthwest.com.

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, 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. Various risks and uncertainties may affect the Company and its results of operations, as described in reports filed by the Company with the Securities and Exchange Commission from time to time. The Company does not assume any obligation to update these forward-looking statements.

Contact: Gary L. Martin or Tracy L. Morris
972-233-8242