

CAPITAL SOUTHWEST ANNOUNCES DIVIDEND

Dallas, Texas – October 21, 2008 - The Board of Directors of Capital Southwest Corporation (NASDAQ-CSWC) declared a cash dividend in the amount of \$0.40 per share of common stock. This dividend is payable on November 28, 2008 to shareholders of record on November 14, 2008.

About Capital Southwest Corporation

Capital Southwest is a Dallas-based investment company that provides patient equity capital to exceptional businesses. As a public company (Nasdaq: CSWC), 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.

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