

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

---

**FORM 8-K**

---

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of  
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **August 7, 2014**

---

**Main Street Capital Corporation**

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of incorporation)

**001-33723**

(Commission File Number)

**41-2230745**

(IRS Employer Identification No.)

**1300 Post Oak Boulevard, Suite 800, Houston, Texas**

(Address of principal executive offices)

**77056**

(Zip Code)

Registrant's telephone number, including area code: **713-350-6000**

---

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**Item 2.02. Results of Operations and Financial Condition.**

On August 7, 2014, the Registrant issued a press release. A copy of such press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information disclosed under this Item 2.02, including Exhibit 99.1 hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

Exhibit 99.1. Press release dated August 7, 2014

---

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Main Street Capital Corporation**

(Registrant)

**August 7, 2014**

(Date)

**/s/ Jason B. Beauvais**

Jason B. Beauvais  
*General Counsel*

---

**Exhibit Index**

99.1 Press release dated August 7, 2014

---

## Main Street Announces Second Quarter 2014 Financial Results

Second Quarter 2014 Distributable Net Investment Income Per Share Increased to \$0.56 Per Share

HOUSTON, Aug. 7, 2014 /PRNewswire/ -- Main Street Capital Corporation (NYSE: MAIN) ("Main Street") announced today its financial results for the second quarter ended June 30, 2014.

### **Second Quarter 2014 Highlights**

- Total investment income of \$34.9 million, representing a 25% increase from the second quarter of 2013
- Distributable net investment income of \$24.6 million (or \$0.56 per share), representing a 33% increase from the second quarter of 2013 <sup>(1)</sup>
- Net investment income of \$23.6 million (or \$0.53 per share), representing a 32% increase from the second quarter of 2013
- Net asset value of \$21.03 per share at June 30, 2014, representing an increase of \$1.14 per share, or 6%, compared to \$19.89 per share at December 31, 2013, or an increase of \$1.41 per share, or 7%, after excluding the effect of the supplemental dividend paid in June 2014
- Paid regular monthly dividends totaling \$0.495 per share, or \$0.165 per share for each of April, May and June 2014, representing a 6% increase compared to second quarter of 2013 regular monthly dividends
- Declared regular monthly dividends totaling \$0.495 per share for the third quarter of 2014, or \$0.165 per share for each of July, August and September 2014, representing a 6% increase compared to third quarter of 2013 regular monthly dividends
- Paid a semi-annual supplemental cash dividend totaling \$0.275 per share in June 2014
- Estimated spillover taxable income (taxable income in excess of dividends paid) at June 30, 2014 of \$34.7 million, or \$0.77 per share
- Completed \$23.2 million in total LMM portfolio investments, including investments totaling \$17.6 million in one new LMM portfolio company, which after aggregate repayments on debt principal and return of invested equity capital from several LMM portfolio investments resulted in a net increase of \$2.1 million in total LMM portfolio investments
- Net increase of \$74.8 million in middle market portfolio investments
- Net increase of \$28.6 million in private loan portfolio investments
- Completed a follow-on public equity offering at 156% of the then latest reported net asset value per share for approximately \$139.6 million in total net proceeds
- Expanded our credit facility (the "Credit Facility") from \$445.0 million to \$502.5 million in total commitments and our diversified lender group from 13 to 14 lenders to support future investment and operational activities

In commenting on Main Street's results, Vincent D. Foster, Main Street's Chairman, President and Chief Executive Officer, stated, "We are pleased with our operating results for the second quarter of 2014, a quarter during which we increased our total investment income and our distributable net investment income per share, both on a sequential basis over the first quarter of 2014 and over the same period in the prior year, and with the increases coming after the impact of the 4.6 million additional shares of common stock we issued in our successful April follow-on equity offering. In addition, this quarter represents the fourteenth consecutive quarter during which we generated distributable net investment income per share which exceeded our regular monthly dividends paid in the quarter, with our distributable net investment income exceeding the dividends paid in the second quarter by over 12%. From a liquidity and growth perspective, we expanded the commitments under our Credit Facility by over \$50 million in June 2014 to complement our successful equity follow-on offering in April, allowing us to maintain our conservative capital structure while providing us with significant liquidity to facilitate the future growth of our investment portfolio."

### **Second Quarter 2014 Operating Results**

For the second quarter ended June 30, 2014, total investment income was \$34.9 million, a 25% increase over the \$27.8 million of total investment income for the corresponding period of 2013. This comparable period increase was principally attributable to (i) a \$5.1 million increase in interest income primarily from higher average levels of portfolio debt investments and (ii) a \$2.2 million increase in dividend income from investment portfolio equity investments. The \$7.1 million increase in total investment income in the second quarter ended June 30, 2014 includes (i) a \$0.4 million net decrease in the amount of total investment income related to accelerated prepayment and repricing activity for certain investment portfolio debt investments when compared to the same period in 2013 and (ii) \$0.5 million of special dividend activity in the second quarter ended June 30, 2014.

Cash operating expenses (total operating expenses excluding non-cash, share-based compensation expense) increased to \$10.3 million in the second quarter of 2014 from \$9.4 million for the corresponding period of 2013. This comparable period increase in operating expenses was principally attributable to (i) a \$1.1 million increase in compensation expense related to increases in the number of personnel, base compensation and incentive compensation accruals and (ii) a \$0.3 million increase related to other general and administrative expenses, in both cases when compared to the prior year. These operating expense increases were partially offset by \$0.4 million of operating expenses charged to our external investment manager, a wholly owned portfolio company and registered investment advisor that provides investment management services to third parties (the "External Investment Manager"), for services provided to the External Investment Manager. Share-based compensation expense of \$1.0 million, related to non-cash amortization expense for restricted share grants, was recognized during the second quarter of 2014. For the second quarter ended June 30, 2014, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets

was 1.6% on an annualized basis, compared to 1.6% on an annualized basis for the second quarter ended June 30, 2013 and 1.8% for the year ended December 31, 2013.

Distributable net investment income, which is net investment income before non-cash, share-based compensation expense, increased 33% to \$24.6 million, or \$0.56 per share, compared with \$18.4 million, or \$0.53 per share, in the corresponding period of 2013.<sup>(1)</sup> The increase in distributable net investment income was primarily due to the higher level of total investment income partially offset by higher operating expenses, due to the changes discussed above.

Distributable net investment income on a per share basis for the second quarter of 2014 is after the impact of (i) a decrease of approximately \$0.02 per share from the comparable period in 2013 attributable to the net decrease in the comparable levels of accelerated prepayment and repricing activity for certain investment portfolio debt investments as discussed above and (ii) a greater number of average shares outstanding compared to the corresponding period in 2013 primarily due to the August 2013 and April 2014 follow-on equity offerings, partially offset by special dividend activity of \$0.01 per share in the second quarter of 2014 as discussed above.

Distributable net realized income, which is net realized income before non-cash, share-based compensation expense, was \$18.2 million, or \$0.41 per share, for the second quarter of 2014 compared with \$19.2 million, or \$0.55 per share, in the corresponding period of 2013.<sup>(1)</sup> The \$1.1 million decrease was primarily attributable to a decrease in the net realized gain (loss) by \$7.2 million, primarily due to a net realized loss of \$6.4 million in the second quarter of 2014, partially offset by a \$6.1 million increase in total distributable net investment income in the second quarter of 2014 when compared to the corresponding period of 2013 as discussed above. The \$6.4 million net realized loss from investments during the second quarter of 2014 was primarily attributable to a \$6.5 million loss realized in conjunction with a change in control transaction involving a LMM portfolio company.

The net increase in net assets resulting from operations during the second quarter of 2014 was \$30.0 million, or \$0.68 per share, compared with \$24.0 million, or \$0.69 per share, in the second quarter of 2013. This \$6.0 million increase from the comparable period in the prior year was primarily the result of a \$10.4 million increase in the net change in unrealized appreciation to \$16.5 million in the second quarter of 2014, compared to \$6.1 million for the comparable period in the prior year, partially offset by (i) a \$1.4 million decrease in net realized income due to the factors discussed above and (ii) a \$3.0 million increase in the income tax provision from the comparable period in the prior year. The total net change in unrealized appreciation for the second quarter of 2014 of \$16.5 million primarily included (i) \$17.1 million of net unrealized appreciation from portfolio investments and (ii) \$0.3 million of net unrealized appreciation on marketable securities and idle funds investments, partially offset by \$0.8 million of unrealized depreciation on the Small Business Investment Company ("SBIC") debentures held by our wholly owned SBIC subsidiary, Main Street Capital II, LP. The \$17.1 million net change in unrealized appreciation from portfolio investments for the second quarter of 2014 was principally attributable to (i) unrealized appreciation on 26 LMM portfolio investments totaling \$18.8 million, partially offset by unrealized depreciation on six LMM portfolio investments totaling \$7.8 million, (ii) \$1.1 million of net unrealized appreciation on other portfolio investments, (iii) \$2.4 million of net unrealized appreciation on the External Investment Manager and (iv) accounting reversals of net unrealized depreciation from prior periods of \$5.4 million related to portfolio investment exits and repayments, partially offset by (i) \$1.8 million of net unrealized depreciation on private loan portfolio investments and (ii) \$1.2 million of net unrealized depreciation on middle market portfolio investments. The income tax provision for the second quarter of 2014 of \$3.8 million principally consisted of deferred taxes of \$3.6 million, which is primarily the result of deferred taxes on net unrealized appreciation on several of our portfolio investments held in our taxable subsidiaries, and other taxes of \$0.2 million, which includes a \$0.1 million accrual for excise tax on our estimated spillover taxable income and \$0.1 million related to accruals for state and other taxes.

### **Liquidity and Capital Resources**

As of June 30, 2014, we had \$30.5 million in cash and cash equivalents, \$9.0 million in marketable securities and idle funds investments and \$249.5 million of unused capacity under our Credit Facility, which we maintain to support our investment and operating activities. As of June 30, 2014, our net asset value totaled \$943.4 million, or \$21.03 per share.

Our Credit Facility was amended during June 2014 to provide for an increase in total commitments from \$445.0 million to \$502.5 million and to expand the number of lenders currently participating in the Credit Facility to a total diversified group of fourteen lenders. The Credit Facility contains an accordion feature which allows us to increase the total commitments under the facility up to \$600.0 million from new or existing lenders on the same terms and conditions as the existing commitments. Borrowings under the Credit Facility bear interest at a rate of LIBOR plus 2.25%. The Credit Facility is provided on a revolving basis through its final maturity date in September 2018, and also contains two, one-year extension options which could extend the final maturity by up to two years, subject to certain conditions, including lender approval. As of June 30, 2014, we had \$253.0 million in outstanding borrowings under the Credit Facility, bearing interest at an annual interest rate of 2.4%.

As of June 30, 2014, through our two wholly owned SBIC's, we had \$225.0 million of outstanding SBIC debentures guaranteed by the U.S. Small Business Administration, which bear a weighted average annual fixed interest rate of approximately 4.2%, paid semi-annually, and mature ten years from original issuance. The first maturity related to our SBIC debentures does not occur until 2017, and the remaining weighted average duration is approximately 7.1 years as of June 30, 2014.

As of June 30, 2014, we had a total of \$90.9 million of the 6.125% Notes outstanding. The 6.125% Notes mature on April 1, 2023, and may be redeemed in whole or in part at any time or from time to time at our option on or after April 1, 2018. The 6.125% Notes bear interest at a rate of 6.125% per year, payable quarterly on January 1, April 1, July 1 and October 1 of each year. The 6.125% Notes are listed on the New York Stock Exchange and trade under the symbol "MSCA."

In April 2014, we increased our liquidity and improved our overall capitalization by completing a follow-on public equity offering of our common stock. Upon completion of the base offering and the underwriters' full exercise of their option to purchase additional shares, we issued 4,600,000 shares of common stock at a public offering price of \$31.50 per share. Net proceeds to us from the offering, after deducting underwriting discounts and estimated offering expenses payable by us, were approximately \$139.6 million.

#### **Lower Middle Market Portfolio Information (all as of June 30, 2014) <sup>(2)</sup>**

We had debt and equity investments in 62 LMM companies collectively totaling approximately \$670.4 million in fair value with a total cost basis of approximately \$529.4 million. Approximately 73% of our LMM portfolio investments at cost were in the form of secured debt investments, and 85% of these debt investments at cost were secured by first priority liens on the assets of the portfolio companies. The weighted average annual effective yield on our LMM portfolio debt investments was 14.9%.<sup>(3)</sup>

We had equity ownership in 95% of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 34%. The fair value of our LMM portfolio company equity investments was approximately 215% of the cost of such equity investments.

Based on information provided by our LMM portfolio companies, which we have not independently verified, the portfolio companies had a median net senior debt (senior interest-bearing debt through our debt position less cash and cash equivalents) to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) ratio of 2.1 to 1.0 and a median total EBITDA to senior interest expense ratio of 3.6 to 1.0. Including all debt that is junior in priority to our debt position, these median ratios were 2.1 to 1.0 and 3.3 to 1.0, respectively.

Based upon our internal investment rating system, with a rating of "1" being the highest and a rating of "5" being the lowest, and with all new investments initially rated a "3", the weighted average investment rating for our total LMM investment portfolio was 2.2 as of June 30, 2014 and December 31, 2013.

#### **Middle Market Portfolio Information (all as of June 30, 2014) <sup>(4)</sup>**

We had middle market portfolio investments in 93 companies collectively totaling approximately \$566.2 million in fair value with a total cost basis of approximately \$564.0 million. Middle market portfolio investments primarily include investments made through direct or secondary purchases of interest-bearing debt securities in companies that are generally larger in size than our LMM portfolio companies. The weighted average annual EBITDA for the 93 middle market portfolio companies was approximately \$68.8 million. Our middle market portfolio investments were primarily in the form of debt investments, and approximately 92% of such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average annual effective yield on our middle market portfolio debt investments was approximately 7.5%.<sup>(3)</sup>

#### **Private Loan Portfolio Information (all as of June 30, 2014) <sup>(5)</sup>**

Private loan portfolio investments primarily consist of investments in interest-bearing debt securities in companies that are consistent with the size of companies in our LMM portfolio or our middle market portfolio, but are investments which have been originated through strategic relationships with other investment funds on a collaborative basis.

We had private loan portfolio investments in 19 companies collectively totaling approximately \$144.7 million in fair value with a total cost basis of approximately \$149.2 million. The weighted average annual EBITDA for the 19 private loan portfolio companies was approximately \$12.1 million. Approximately 96% of our private loan portfolio investments were in the form of debt investments, and approximately 82% of such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average annual effective yield on our private loan portfolio debt investments was approximately 11.3%.<sup>(3)</sup>

#### **External Investment Manager**

Beginning on January 1, 2014, the External Investment Manager began accruing management fees through its investment sub-advisory relationship with HMS Income Fund, Inc. ("HMS Income"). During the second quarter of 2014, the External Investment Manager generated \$0.5 million of fee income from this relationship and HMS Income ended the second quarter of 2014 with over \$250 million of total assets. The fee income from HMS Income benefited us through a \$0.4 million reduction of our operating expenses for expenses we charged to the External Investment Manager for services we provided to the External Investment Manager and \$63,000 of dividend income from the External Investment Manager through a dividend of its net income. We expect the management fees earned by the External Investment Manager from the HMS Income relationship, and our related benefits, will continue to increase during the second half of 2014 as HMS Income continues its fund raising and portfolio investment activities.

#### **Portfolio Quality**

As of June 30, 2014, we had two investments on non-accrual status which comprised approximately 1.2% of the total investment portfolio at fair value and 3.5% of the total investment portfolio at cost. Our total portfolio investments at fair value were approximately 111% of the related cost basis as of June 30, 2014.

#### **Second Quarter 2014 Financial Results Conference Call / Webcast**

Main Street has scheduled a conference call for Friday, August 8, 2014 at 10:00 a.m. Eastern Time to discuss the second quarter 2014 financial results.

You may access the conference call by dialing 913-312-0677 at least 10 minutes prior to the start time. The conference call can also be accessed via a simultaneous webcast by logging into the investor relations section of the Main Street web site at <http://www.mainstcapital.com>.

A telephonic replay of the conference call will be available through Friday, August 15, 2014 and may be accessed by dialing 719-457-0820 and using the passcode 3913959#. An audio archive of the conference call will also be available on the investor relations section of the company's website at <http://www.mainstcapital.com> shortly after the call and will be accessible for approximately 90 days.

For a more detailed discussion of the financial and other information included in this press release, please refer to the Main Street Form 10-Q for the quarterly period ended June 30, 2014 to be filed with the Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)) and Main Street's Second Quarter 2014 Investor Presentation to be posted on the investor relations section of the Main Street website at <http://www.mainstcapital.com>.

(1) Distributable net investment income and distributable net realized income are net investment income and net realized income, respectively, as determined in accordance with U.S. Generally Accepted Accounting Principles, or U.S. GAAP, excluding the impact of share-based compensation expense which is non-cash in nature. Main Street believes presenting distributable net investment income, distributable net realized income, and related per share measures is useful and appropriate supplemental disclosure for analyzing its financial performance since share-based compensation does not require settlement in cash. However, distributable net investment income and distributable net realized income are non-U.S. GAAP measures and should not be considered as a replacement for net investment income, net realized income, and other earnings measures presented in accordance with U.S. GAAP. Instead, distributable net investment income and distributable net realized income should be reviewed only in connection with such U.S. GAAP measures in analyzing Main Street's financial performance. A reconciliation of net investment income and net realized income in accordance with U.S. GAAP to distributable net investment income and distributable net realized income is detailed in the financial tables included with this press release.

(2) All LMM portfolio information is calculated exclusive of Main Street's middle market portfolio investments, private loan portfolio investments, other portfolio investments, investment in the External Investment Manager and marketable securities and idle funds investments. LMM portfolio company financial information has not been independently verified by Main Street.

(3) Weighted average annual effective yield includes amortization of deferred debt origination fees and accretion of original issue discount, but excludes any liquidation fees payable upon repayment and any debt investments on non-accrual status.

(4) All middle market portfolio information is calculated exclusive of Main Street's LMM portfolio investments, private loan portfolio investments, other portfolio investments, investment in the External Investment Manager and marketable securities and idle funds investments. Middle market portfolio company financial information has not been independently verified by Main Street.

(5) All private loan portfolio information is calculated exclusive of Main Street's LMM portfolio investments, middle market portfolio investments, other portfolio investments, investment in the External Investment Manager and marketable securities and idle funds investments. Private loan portfolio company financial information has not been independently verified by Main Street.

## **ABOUT MAIN STREET CAPITAL CORPORATION**

Main Street ([www.mainstcapital.com](http://www.mainstcapital.com)) is a principal investment firm that primarily provides long-term debt and equity capital to lower middle market companies and debt capital to middle market companies. Main Street's portfolio investments are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse industry sectors. Main Street seeks to partner with entrepreneurs, business owners and management teams and generally provides "one stop" financing alternatives within its lower middle market portfolio. Main Street's lower middle market companies generally have annual revenues between \$10 million and \$150 million. Main Street's middle market debt investments are in middle market businesses that are generally larger in size than its lower middle market portfolio companies.

Main Street's common stock trades on the New York Stock Exchange ("NYSE") under the symbol "MAIN." In addition, Main Street has outstanding 6.125% Notes due 2023, which trade on the NYSE under the symbol "MSCA."

## **FORWARD-LOOKING STATEMENTS**

Main Street cautions that statements in this press release which are forward-looking and provide other than historical information, including, without limitation, the amount of fees which may be earned by the External Investment Manager from HMS Income and the related positive effects for Main Street, involve risks and uncertainties that may impact its future results of operations. The forward-looking statements in this press release are based on current conditions and include statements regarding Main Street's goals, beliefs, strategies and future operating results and cash flows. Although its management believes that the expectations reflected in those forward-looking statements are reasonable, Main Street can give no assurance that those expectations will prove to have been correct. Those statements are made based on various underlying assumptions and are subject to numerous uncertainties and risks, including, without limitation: Main

Street's continued effectiveness in raising, investing and managing capital; adverse changes in the economy generally or in the industries in which its portfolio companies operate; changes in laws and regulations that may adversely impact its operations or the operations of one or more of its portfolio companies; the operating and financial performance of its portfolio companies; retention of key investment personnel; competitive factors; and such other factors described under the captions "Cautionary Statement Concerning Forward Looking Statements" and "Risk Factors" included in its filings with the Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)). Main Street undertakes no obligation to update the information contained herein to reflect subsequently occurring events or circumstances, except as required by applicable securities laws and regulations.

Contacts:

Main Street Capital Corporation

Dwayne Hyzak, CFO and Senior Managing Director  
dhyzak@mainstcapital.com / 713-350-6000

Dennard \* Lascar Associates

Ken Dennard / ken@dennardlascar.com  
Jenny Zhou / jzhou@dennardlascar.com  
713-529-6600

**MAIN STREET CAPITAL CORPORATION**  
**Consolidated Statements of Operations**  
**(in thousands, except per share amounts)**  
**(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
<b>INVESTMENT INCOME:</b>				
Interest, fee and dividend income:				
Control investments	\$ 10,546	\$ 8,169	\$ 19,842	\$ 14,703
Affiliate investments	6,085	5,399	11,725	11,060
Non-Control/Non-Affiliate investments	18,016	13,862	33,649	27,000
Interest, fee and dividend income	34,647	27,430	65,216	52,763
Interest, fee and dividend income from marketable securities and idle funds	230	370	437	681
Total investment income	34,877	27,800	65,653	53,444
<b>EXPENSES:</b>				
Interest	(5,473)	(5,542)	(10,759)	(9,424)
Compensation	(3,717)	(2,574)	(6,068)	(2,574)
General and administrative	(1,571)	(1,249)	(3,408)	(1,937)
Share-based compensation	(974)	(602)	(1,826)	(1,205)
Expenses charged to the External Investment Manager	436	-	727	-
Expenses reimbursed to Internal Investment Manager	-	-	-	(3,189)
Total expenses	(11,299)	(9,967)	(21,334)	(18,329)
<b>NET INVESTMENT INCOME</b>	<b>23,578</b>	<b>17,833</b>	<b>44,319</b>	<b>35,115</b>
<b>NET REALIZED GAIN (LOSS):</b>				
Affiliate investments	(6,578)	-	(6,578)	-
Non-Control/Non-Affiliate investments	239	483	1,672	140
Marketable securities and idle funds investments	(25)	322	(15)	263
Total net realized gain (loss)	(6,364)	805	(4,921)	403
<b>NET REALIZED INCOME</b>	<b>17,214</b>	<b>18,638</b>	<b>39,398</b>	<b>35,518</b>
<b>NET CHANGE IN UNREALIZED</b>				
<b>    APPRECIATION (DEPRECIATION):</b>				
Portfolio investments	17,053	6,337	23,910	16,415
Marketable securities and idle funds investments	298	(743)	1,346	(810)
SBIC debentures	(840)	555	(2,029)	(657)
Total net change in unrealized appreciation	16,511	6,149	23,227	14,948
<b>INCOME TAXES:</b>				
Federal and state income, excise, and other taxes	(132)	(752)	(799)	(1,422)
Deferred taxes	(3,643)	(31)	(4,641)	(1,411)
Income tax provision	(3,775)	(783)	(5,440)	(2,833)

<b>NET INCREASE IN NET ASSETS</b>				
<b>RESULTING FROM OPERATIONS</b>	<u>\$ 29,950</u>	<u>\$ 24,004</u>	<u>\$ 57,185</u>	<u>\$ 47,633</u>
<b>NET INVESTMENT INCOME PER SHARE -</b>				
<b>BASIC AND DILUTED</b>	<u>\$ 0.53</u>	<u>\$ 0.51</u>	<u>\$ 1.05</u>	<u>\$ 1.01</u>
<b>NET REALIZED INCOME PER SHARE -</b>				
<b>BASIC AND DILUTED</b>	<u>\$ 0.39</u>	<u>\$ 0.54</u>	<u>\$ 0.94</u>	<u>\$ 1.02</u>
<b>NET INCREASE IN NET ASSETS</b>				
<b>RESULTING FROM OPERATIONS</b>				
<b>PER SHARE - BASIC AND DILUTED</b>	<u>\$ 0.68</u>	<u>\$ 0.69</u>	<u>\$ 1.36</u>	<u>\$ 1.37</u>
<b>DIVIDENDS PAID PER SHARE:</b>				
Regular monthly dividends	\$ 0.495	\$ 0.465	\$ 0.990	\$ 0.920
Supplemental dividends	<u>0.275</u>	<u>-</u>	<u>0.275</u>	<u>0.350</u>
Total dividends	<u>\$ 0.770</u>	<u>\$ 0.465</u>	<u>\$ 1.265</u>	<u>\$ 1.270</u>
<b>WEIGHTED AVERAGE SHARES OUTSTANDING -</b>				
<b>BASIC AND DILUTED</b>	44,216,906	34,803,729	42,069,669	34,751,905

**MAIN STREET CAPITAL CORPORATION**  
**Consolidated Balance Sheets**  
(in thousands, except shares and per share amounts)  
(Unaudited)

	<u>June 30, 2014</u>	<u>December 31, 2013</u>
<b>ASSETS</b>		
Portfolio investments at fair value:		
Control investments	\$ 395,985	\$ 356,973
Affiliate investments	257,950	268,113
Non-Control/Non-Affiliate investments	<u>780,464</u>	<u>661,102</u>
Total portfolio investments	1,434,399	1,286,188
Marketable securities and idle funds investments	<u>8,974</u>	<u>13,301</u>
Total investments	1,443,373	1,299,489
Cash and cash equivalents	30,495	34,701
Interest receivable and other assets	20,665	16,054
Receivable for securities sold	43,983	-
Deferred financing costs, net	<u>10,235</u>	<u>9,931</u>
Total assets	<u>\$ 1,548,751</u>	<u>\$ 1,360,175</u>
<b>LIABILITIES</b>		
Credit facility	\$ 253,000	\$ 237,000
SBIC debentures	213,879	187,050
6.125% Notes	90,882	90,882
Payable for securities purchased	18,711	27,088
Deferred tax liability, net	10,581	5,940
Dividend payable	7,403	6,577
Accounts payable and other liabilities	5,889	10,549
Interest payable	<u>4,996</u>	<u>2,556</u>
Total liabilities	605,341	567,642
<b>NET ASSETS</b>		

Common stock	449	398
Additional paid-in capital	842,813	694,981
Accumulated net investment income, net of cumulative dividends	14,478	22,778
Accumulated net realized gain from investments, net of cumulative dividends	(32,827)	(26,334)
Net unrealized appreciation, net of income taxes	118,497	100,710
	<u>943,410</u>	<u>792,533</u>
Total net assets		
	<u>\$ 1,548,751</u>	<u>\$ 1,360,175</u>
<b>NET ASSET VALUE PER SHARE</b>	<u>\$ 21.03</u>	<u>\$ 19.89</u>

**MAIN STREET CAPITAL CORPORATION**  
**Reconciliation of Distributable Net Investment Income and Distributable Net Realized Income**  
(in thousands, except per share amounts)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net investment income	\$ 23,578	\$ 17,833	\$ 44,319	\$ 35,115
Share-based compensation expense	974	602	1,826	1,205
Distributable net investment income (1)	24,552	18,435	46,145	36,320
Net realized gain / (loss) from investments	(6,364)	805	(4,921)	403
Distributable net realized income (1)	<u>\$ 18,188</u>	<u>\$ 19,240</u>	<u>\$ 41,224</u>	<u>\$ 36,723</u>

**Per share amounts:**

Distributable net investment income per share -				
Basic and diluted (1)	<u>\$ 0.56</u>	<u>\$ 0.53</u>	<u>\$ 1.10</u>	<u>\$ 1.05</u>
Distributable net realized income per share -				
Basic and diluted (1)	<u>\$ 0.41</u>	<u>\$ 0.55</u>	<u>\$ 0.98</u>	<u>\$ 1.06</u>

- (1) Distributable net investment income and distributable net realized income are net investment income and net realized income, respectively, as determined in accordance with U.S. GAAP, excluding the impact of share-based compensation expense which is non-cash in nature. Main Street believes presenting distributable net investment income and distributable net realized income, and related per share amounts, is useful and appropriate supplemental disclosure of information for analyzing its financial performance since share-based compensation does not require settlement in cash. However, distributable net investment income and distributable net realized income are non-U.S. GAAP measures and should not be considered as a replacement to net investment income, net realized income, and other earnings measures presented in accordance with U.S. GAAP. Instead, distributable net investment income and distributable net realized income should be reviewed only in connection with such U.S. GAAP measures in analyzing Main Street's financial performance. A reconciliation of net investment income and net realized income in accordance with U.S. GAAP to distributable net investment income and distributable net realized income is presented in the table above.