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Main Street Announces New Portfolio Investment and Partial Exit of Existing Portfolio Investment

HOUSTON, Jan. 10, 2013 /PRNewswire/ -- Main Street Capital Corporation (NYSE: MAIN) ("Main Street") announced today that it recently closed two transactions, including a new portfolio investment and the partial exit of an existing portfolio investment.

The new portfolio investment includes \$40.5 million of invested capital in Quality Lease and Rental Holdings, LLC, the parent company of Quality Lease Service, LLC and Quality Lease Rental Service, LLC (together, "Quality").

Main Street's investment consists of \$38 million in senior, secured term debt in Quality and a \$2.5 million direct equity investment in Quality's parent holding company. Founded in 1989, Quality is headquartered in El Campo, Texas and provides drill site services and equipment rentals to the upstream oil & gas industry. Quality provides high quality, custom built mobile housing units to be used at the well site during drilling and completion operations.

Quality also provides a variety of other services at the well site, including pad, pit, and road construction, pipeline and flow line equipment installation, equipment rental and heavy hauling. Main Street partnered with third party investors and certain members of Quality's management team to support the acquisition of Quality.

Main Street also completed the partial exit of its equity investment in IRTH Holdings, LLC and its wholly owned subsidiary irth Solutions, Inc., a leading provider of asset management solutions to the utility and energy industries ("irth Solutions"), as part of a majority recapitalization of irth Solutions by a private equity investment group and irth Solution's management team. Main Street made its original investment in irth Solutions, which consisted of \$6.0 million in first lien, secured debt and a \$0.9 million direct equity investment, during December 2010 to support the acquisition of irth Solutions by the company's management team and a group of private investors. As part of the recent transaction, Main Street received a cash distribution of \$0.5 million prior to closing of the recapitalization and realized a gain of approximately \$0.8 million on the sale of 27% of its equity investment. Main Street realized a cumulative internal rate of return of 123% and a 5.0 times money invested return on the partial exit of its equity investment in irth Solutions. Main Street also elected to retain the remainder of its equity investment in irth Solutions through a newly formed entity in partnership with the company's management team and new private equity investor. Based upon the valuation utilized to complete the recent third-party equity investment and the related recapitalization of irth Solutions, Main Street's retained minority equity ownership interest has a fair value of approximately \$2.7 million, representing an unrealized gain of approximately \$2.1 million compared to the \$0.6 million cost basis of Main Street's retained equity investment. In addition, the \$3.6 million remaining balance of Main Street's first lien, secured debt investment was assumed by the newly formed entity and remains outstanding.

ABOUT MAIN STREET CAPITAL CORPORATION

Main Street (www.mainstcapital.com) is a principal investment firm that 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 made in businesses that are generally larger in size than its lower middle market portfolio companies.

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