Main Street Capital CORP
Form 497
December 11, 2012

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Filed Pursuant to Rule 497
Registration Statement No. 333-183555

PROSPECTUS SUPPLEMENT
(to Prospectus dated October 19, 2012)

2,500,000 Shares

Main Street Capital Corporation

Common Stock

We are offering for sale 2,500,000 shares of our common stock.

We are a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies and debt capital to middle market ("Middle Market") companies. Our LMM companies generally have annual revenues between $10 million and $150 million, and our LMM portfolio investments generally range in size from $5 million to $25 million. Our Middle Market investments are made in businesses that are generally larger in size than our LMM portfolio companies, with annual revenues typically between $150 million and $1.5 billion, and our Middle Market investments generally range in size from $3 million to $15 million.

The LMM and Middle Market securities in which we invest generally would be rated below investment grade if they were rated by rating agencies. Below investment grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be difficult to value and are illiquid.

Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and capital appreciation from our equity and equity related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company.

We are an internally managed, closed-end, non-diversified management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940.

Our common stock is listed on the New York Stock Exchange under the symbol "MAIN." On December 10, 2012, the last reported sale price of our common stock on the New York Stock Exchange was $29.30 per share, and the net asset value per share of our common stock on September 30, 2012 (the last date prior to the date of this prospectus supplement on which we determined our net asset value per share) was $17.49.

Shares of closed-end investment companies such as ours frequently trade at a discount to their net asset value. This risk is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our common stock will trade above, at or below net asset value. In this regard, on

June 14, 2012, our common stockholders voted to allow us to issue common stock at a price below net asset value per share for a period of one year ending on June 13, 2013. Our stockholders did not specify a maximum discount below net asset value at which we are able to issue our common stock, although the number of shares sold in each offering may not exceed 25% of our outstanding common stock immediately prior to such sale. In addition, we cannot issue shares of our common stock below net asset value unless our Board of Directors determines that it would be in our and our stockholders' best interests to do so. Sales of common stock at prices below net asset value per share dilute the interests of existing stockholders, have the effect of reducing our net asset value per share and may reduce our market price per share. In addition, continuous sales of common stock below net asset value may have a negative impact on total returns and could have a negative impact on the market price of our shares of common stock. See "Sales of Common Stock Below Net Asset Value" in the accompanying prospectus.

Investing in our common stock involves a high degree of risk, and should be considered highly speculative. See "Risk Factors" beginning on page 13 of the accompanying prospectus to read about factors you should consider, including the risk of leverage and dilution, before investing in our common stock.

This prospectus supplement and the accompanying prospectus contain important information about us that a prospective investor should know before investing in our common stock. Please read this prospectus supplement and the accompanying prospectus before investing and keep them for future reference. We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. This information is available free of charge by contacting us at 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056 or by telephone at (713) 350-6000 or on our website at *www.mainstcapital.com*. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus. The SEC also maintains a website at *www.sec.gov* that contains such information.

	Per share	Total
Public offering price	$ 28.00	$ 70,000,000
Underwriting discount (4.00%)	$ 1.12	$ 2,800,000
Proceeds, before expenses, to us(1)	$ 26.88	$ 67,200,000

(1) We estimate that we will incur approximately $200,000 in offering expenses in connection with this offering.

The underwriters have the option to purchase up to an additional 375,000 shares of common stock at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement solely to cover any over-allotments. If the over-allotment option is exercised in full, the total public offering price will be $80,500,000, the total underwriting discount (4.00%) will be $3,220,000, and the total proceeds to us, before deducting estimated expenses payable by us of $200,000, will be $77,280,000.

The Securities and Exchange Commission has not approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about December 14, 2012.

RAYMOND JAMES **BAIRD**

BB&T CAPITAL MARKETS

SANDERS MORRIS HARRIS
RBC CAPITAL MARKETS
JANNEY MONTGOMERY SCOTT
LADENBURG THALMANN & CO. INC.
WUNDERLICH SECURITIES

The date of this prospectus supplement is December 11, 2012

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ABOUT THE PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which provides more information about the common stock we may offer from time to time. To the extent the information contained in this prospectus supplement differs from the information contained in the accompanying prospectus, the information in this prospectus supplement shall control.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriters have authorized any other person to provide you with different information from that contained in this prospectus supplement or the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to buy, any shares of our common stock by any person in any jurisdiction where it is unlawful for that person to make such an offer or solicitation or to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation. The information contained in this prospectus supplement and the accompanying prospectus is complete and accurate only as of their respective dates, regardless of the time of their delivery or sale of our common stock. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information different from or additional to the information in that prospectus.

Forward-Looking Statements

Information contained in this prospectus supplement and the accompanying prospectus may contain forward-looking statements, which can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," or "continue" or the negative thereof or other variations thereon or comparable terminology. The matters described in the section titled "Risk Factors" in the accompanying prospectus and certain other factors noted throughout this prospectus supplement and the accompanying prospectus constitute cautionary statements identifying important factors with respect to any such forward-looking statements, including certain risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We undertake no obligation to revise or update any forward-looking statements but advise you to consult any additional disclosures that we may make directly to you or through reports that we may file in the future with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. We note that the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995 does not apply to statements made in this prospectus supplement or the accompanying prospectus.

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PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you may want to consider. To understand the terms of the common stock offered hereby, you should read the entire prospectus supplement and the accompanying prospectus carefully. Together, these documents describe the specific terms of the shares we are offering. You should carefully read the sections titled "Selected Financial Data," "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Interim Financial Statements" in this prospectus supplement and the documents identified in the section titled "Available Information" in this prospectus supplement, as well as the section titled "Risk Factors" in the accompanying prospectus. Except as otherwise noted, all information in this prospectus supplement and the accompanying prospectus assumes no exercise of the underwriters' over-allotment option.

Organization

Main Street Capital Corporation ("MSCC") was formed on March 9, 2007 for the purpose of (i) acquiring 100% of the equity interests of Main Street Mezzanine Fund, LP ("MSMF") and its general partner, Main Street Mezzanine Management, LLC ("MSMF GP"), (ii) acquiring 100% of the equity interests of Main Street Capital Partners, LLC (the "Investment Manager"), (iii) raising capital in an initial public offering, which was completed in October 2007 (the "IPO"), and (iv) thereafter operating as an internally managed business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). MSMF is licensed as a Small Business Investment Company ("SBIC") by the United States Small Business Administration ("SBA") and the Investment Manager acts as MSMF's manager and investment adviser. Because the Investment Manager, which employs all of the executive officers and other employees of MSCC, is wholly owned by us, we do not pay any external investment advisory fees, but instead we incur the operating costs associated with employing investment and portfolio management professionals through the Investment Manager. The IPO and related transactions discussed above were consummated in October 2007 and are collectively termed the "Formation Transactions."

On January 7, 2010, MSCC consummated transactions (the "Exchange Offer") to exchange 1,239,695 shares of its common stock for approximately 88% of the total dollar value of the limited partner interests in Main Street Capital II, LP ("MSC II" and, together with MSMF, the "Funds"). Pursuant to the terms of the Exchange Offer, 100% of the membership interests in the general partner of MSC II, Main Street Capital II GP, LLC ("MSC II GP"), were also transferred to MSCC for no consideration. MSC II commenced operations in January 2006, is an investment fund that operates as an SBIC and is also managed by the Investment Manager. During the first quarter of 2012, MSCC exchanged 229,634 shares of its common stock to acquire all of the remaining minority ownership in the total dollar value of the MSC II limited partnership interests, including approximately 5% owned by affiliates of MSCC (the "Final MSC II Exchange"). After the completion of the Final MSC II Exchange, MSCC owns 100% of MSC II. The Exchange Offer and related transactions, including the transfer of the MSC II GP interests and the Final MSC II Exchange, are collectively termed the "Exchange Offer Transactions."

MSCC has elected to be treated for federal income tax purposes as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, MSCC generally will not pay corporate-level federal income taxes on any net ordinary income or capital gains that it distributes to its stockholders as dividends.

MSCC has direct and indirect wholly owned subsidiaries that have elected to be taxable entities (the "Taxable Subsidiaries"). The primary purpose of these entities is to hold certain investments that generate "pass through" income for tax purposes. The Taxable Subsidiaries are each taxed at their normal corporate tax rates based on their taxable income.

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Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our" and "Main Street" refer to MSCC and its consolidated subsidiaries, which include the Funds and the Taxable Subsidiaries.

Overview

We are a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies and debt capital to middle market ("Middle Market") companies. Our portfolio investments are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse industry sectors. We seek to partner with entrepreneurs, business owners and management teams and generally provide "one stop" financing alternatives within our LMM portfolio. We invest primarily in secured debt investments, equity investments, warrants and other securities of LMM companies based in the United States and in secured debt investments of Middle Market companies generally headquartered in the United States. Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and capital appreciation from our equity and equity related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. Our LMM companies generally have annual revenues between $10 million and $150 million, and our LMM portfolio investments generally range in size from $5 million to $25 million. Our Middle Market investments are made in businesses that are generally larger in size than our LMM portfolio companies, with annual revenues typically between $150 million and $1.5 billion, and our Middle Market investments generally range in size from $3 million to $15 million. Our other portfolio ("Other Portfolio") investments primarily consist of investments which are not consistent with the typical profiles for LMM and Middle Market portfolio investments, including investments which may be managed by third parties. In our Other Portfolio, we may incur indirect fees and expenses in connection with investments managed by third parties, such as investments in other investment companies or private funds.

We seek to fill the current financing gap for LMM businesses, which, historically, have had more limited access to financing from commercial banks and other traditional sources. The underserved nature of the lower middle market creates the opportunity for us to meet the financing needs of LMM companies while also negotiating favorable transaction terms and equity participations. Our ability to invest across a company's capital structure, from senior secured loans to equity securities, allows us to offer portfolio companies a comprehensive suite of financing solutions, or "one stop" financing. Providing customized, "one stop" financing solutions has become even more relevant to our LMM portfolio companies in the current investing environment. We generally seek to partner directly with entrepreneurs, management teams and business owners in making our investments. We believe that our LMM investment strategy has a lower correlation to the broader debt and equity markets.

As of September 30, 2012, we had debt and equity investments in 57 LMM portfolio companies with an aggregate fair value of $467.6 million, with a total cost basis of approximately $365.9 million, and a weighted average annual effective yield on our LMM debt investments of approximately 14.7%. Approximately 78% of our total LMM portfolio investments at cost were in the form of debt investments and 95% of such debt investments at cost were secured by first priority liens on the assets of our LMM portfolio companies as of September 30, 2012. At September 30, 2012, we had equity ownership in approximately 88% of our LMM portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 32%. As of December 31, 2011, we had debt and equity investments in 54 LMM portfolio companies with an aggregate fair value of $415.7 million with a total cost basis of approximately $349.0 million and a weighted average annual effective yield on our LMM debt investments of approximately 14.8%. The weighted average annual yields were computed using the effective interest rates for all debt investments as of September 30, 2012 and December 31, 2011, including amortization of deferred debt origination fees and accretion of original

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issue discount but excluding liquidation fees payable upon repayment and any debt investments on non-accrual status.

In addition to our LMM investment strategy, we pursue investments in Middle Market companies. Our Middle Market portfolio investments primarily consist of direct or secondary purchases of interest-bearing debt securities in companies that are generally larger in size than the LMM companies included in our LMM portfolio. Our Middle Market portfolio debt investments are generally secured by either a first or second priority lien on the assets of the company and have an expected duration of between three and five years.

As of September 30, 2012, we had Middle Market portfolio investments in 79 companies collectively totaling approximately $350.7 million in fair value with a total cost basis of approximately $345.9 million. The weighted average revenues for the 79 Middle Market portfolio company investments was approximately $518 million. Our Middle Market portfolio investments are primarily in the form of debt investments and 88% of such debt investments at cost were secured by first priority liens on portfolio company assets as of September 30, 2012. The weighted average annual effective yield on our Middle Market portfolio debt investments was approximately 8.6% as of September 30, 2012. As of December 31, 2011, we had Middle Market portfolio investments in 57 companies collectively totaling approximately $226.5 million in fair value with a total cost basis of approximately $228.9 million. The weighted average revenues for the 57 Middle Market portfolio company investments were approximately $473 million. The weighted average annual effective yield on our Middle Market portfolio debt investments was approximately 9.5% as of December 31, 2011. The weighted average annual yields were computed using the effective interest rates for all debt investments as of September 30, 2012 and December 31, 2011, including amortization of deferred debt origination fees and accretion of original issue discount but excluding liquidation fees payable upon repayment.

As of September 30, 2012, we had Other Portfolio investments in 3 companies collectively totaling approximately $16.1 million in fair value and $15.8 million in cost basis. As of December 31, 2011, we had Other Portfolio investments in 3 companies collectively totaling approximately $14.1 million in both fair value and cost basis.

Our portfolio investments are generally made through MSCC and the Funds. MSCC and the Funds share the same investment strategies and criteria, although they are subject to different regulatory regimes. An investor's return in MSCC will depend, in part, on the Funds' investment returns as MSMF and MSC II are both wholly owned subsidiaries of MSCC.

The level of new portfolio investment activity will fluctuate from period to period based upon our view of the current economic fundamentals, our ability to identify new investment opportunities that meet our investment criteria, and our ability to consummate the identified opportunities. The level of new investment activity, and associated interest and fee income, will directly impact future investment income. In addition, the level of dividends paid by portfolio companies and the portion of our portfolio debt investments on non-accrual status will directly impact future investment income. While we intend to grow our portfolio and our investment income over the long-term, our growth and our operating results may be more limited during depressed economic periods. However, we intend to appropriately manage our cost structure and liquidity position based on applicable economic conditions and our investment outlook. The level of realized gains or losses and unrealized appreciation or depreciation will also fluctuate depending upon portfolio activity and the performance of our individual portfolio companies. The changes in realized gains and losses and unrealized appreciation or depreciation could have a material impact on our operating results.

MSCC and its consolidated subsidiaries are internally managed by the Investment Manager, a wholly owned subsidiary of MSCC, which employs all of the executive officers and other employees of Main Street. Because the Investment Manager is wholly owned by MSCC, MSCC does not pay any

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external investment advisory fees, but instead incurs the operating costs associated with employing investment and portfolio management professionals through the Investment Manager. We believe that our internally managed structure provides us with a beneficial operating expense structure when compared to other publicly-traded and privately-held investment firms which are externally managed, and our internally managed structure allows us the opportunity to leverage our non-interest operating expenses as we grow our investment portfolio. For the three and nine months ended September 30, 2012, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.6% and 1.9%, respectively, on an annualized basis, compared to 1.9% and 2.2%, respectively, on an annualized basis for the three and nine months ended September 30, 2011 and 2.2% for the year ended December 31, 2011.

In addition, during May 2012, we and the Investment Manager executed an investment sub-advisory agreement with HMS Adviser, LP, which is the investment advisor to HMS Income Fund, Inc., a recently-formed BDC whose registration statement on Form N-2 was declared effective by the SEC on June 4, 2012, to provide certain investment advisory services to HMS Adviser, LP. We are initially providing such investment advisory services to HMS Adviser, LP, but ultimately intend that the Investment Manager provide such services because the fees we receive from such arrangement have negative consequences on our ability to meet the source-of-income requirement necessary for us to maintain our qualification as a RIC for federal income tax purposes. We will need to obtain certain relief from the SEC before the Investment Manager is permitted to provide these services to HMS Adviser, LP, which we are seeking, but there can be no assurance that we will obtain such relief.

For the nine months ended September 30, 2012, we paid dividends on a monthly basis totaling $1.260 per share, or $35.4 million. In July 2012, we declared monthly dividends of $0.15 per share for each of October, November and December 2012. These monthly dividends equal a total of $0.45 per share for the fourth quarter of 2012. The fourth quarter 2012 dividends represent an 11.1% increase from the dividends declared for the fourth quarter of 2011 and a 3.4% increase compared to the third quarter of 2012. During November 2012, we declared a special dividend of $0.35 per share for January 2013 and regular monthly dividends of $0.15 per share for each of January, February and March 2013. These regular monthly dividends equal a total of $0.45 per share for the first quarter of 2013. The first quarter 2013 regular monthly dividends represent an 11.1% increase from the dividends declared for the first quarter of 2012. During 2011, we paid monthly dividends of $1.56 per share for the entire year. Including the dividends declared for the third and fourth quarters of 2012, we will pay a total of $1.71 per share during 2012. Including the special dividend and the regular monthly dividends declared through the first quarter of 2013, we will have paid $8.83 per share in cumulative dividends since our October 2007 initial public offering.

You should be aware that investments in our portfolio companies carry a number of risks including, but not limited to, investing in companies which may have limited operating histories and financial resources and other risks common to investing in below investment grade debt and equity investments in private, smaller companies. Please see "Risk Factors Risks Related to Our Investments" in the accompanying prospectus for a more complete discussion of the risks involved with investing in our portfolio companies.

Our principal executive offices are located at 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056, and our telephone number is (713) 350-6000. We maintain a website at *http://www.mainstcapital.com*. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus.

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Business Strategies

Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and realizing capital appreciation from our equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. We have adopted the following business strategies to achieve our investment objective. Please see "Business Business Strategies" in the accompanying prospectus for a more complete discussion of our business strategies.

Delivering Customized Financing Solutions in the Lower Middle Market. We offer to our LMM portfolio companies customized debt financing solutions with equity components that are tailored to the facts and circumstances of each situation.

Focusing on Established Companies. We generally invest in companies with established market positions, experienced management teams and proven revenue streams.

Leveraging the Skills and Experience of Our Investment Team. Our investment team has significant experience in lending to and investing in LMM and Middle Market companies.

Investing Across Multiple Companies, Industries, Regions and End Markets. We seek to maintain a portfolio of investments that is appropriately balanced among various companies, industries, geographic regions and end markets.

Capitalizing on Strong Transaction Sourcing Network. Our investment team seeks to leverage its extensive network of referral sources for portfolio company investments.

Benefiting from Lower, Fixed, Long-Term Cost of Capital. The SBIC licenses held by the Funds allow them to issue SBA-guaranteed debentures. SBA-guaranteed debentures carry long-term fixed rates that are generally lower than rates on comparable bank and other debt.

Investment Criteria

Our investment team has identified the following investment criteria that it believes are important in evaluating prospective portfolio companies. Our investment team uses these criteria in evaluating investment opportunities. However, not all of these criteria have been, or will be, met in connection with each of our investments. Please see "Business Investment Criteria" in the accompanying prospectus for a more complete discussion of our investment criteria.

Proven Management Team with Meaningful Equity Stake. We look for operationally-oriented management with direct industry experience and a successful track record. In addition, we expect the management team of each LMM portfolio company to have meaningful equity ownership in the portfolio company to better align our respective economic interests.

Established Companies with Positive Cash Flow. We seek to invest in established companies with sound historical financial performance.

Defensible Competitive Advantages/Favorable Industry Position. We primarily focus on companies having competitive advantages in their respective markets and/or operating in industries with barriers to entry, which may help to protect their market position and profitability.

Exit Alternatives. We exit our debt investments primarily through the repayment of our investment from internally generated cash flow of the portfolio company and/or refinancing. In addition, we seek to invest in companies whose business models and expected future cash flows may provide alternate methods of repaying our investment, such as through a strategic acquisition by other industry participants or a recapitalization.

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Recent Developments

During October 2012, we sold the majority of our LMM equity investment in Laurus Healthcare, LP ("Laurus") to a leading private equity investment firm which has made numerous growth investments within the healthcare sector. We realized a gain of approximately $9.9 million on the sale. Laurus is a leader in developing and managing outpatient healthcare facilities, in partnership with physicians and hospitals, which are focused on the identification and treatment of cardiovascular disease. Our cumulative secured debt investment in Laurus was fully refinanced during the second quarter of 2012. While we sold the majority of our equity interest in Laurus, we also retained a portion of our equity investment in Laurus through an equity ownership position in a new entity owned by the Laurus management team and the private equity investment firm.

During November 2012, we declared a special dividend of $0.35 per share for January 2013 and regular monthly dividends of $0.15 per share for each of January, February and March 2013. These regular monthly dividends equal a total of $0.45 per share for the first quarter of 2013. The first quarter 2013 regular monthly dividends represent an 11.1% increase from the dividends declared for the first quarter of 2012. Including the special dividend and the regular monthly dividends declared for the first quarter of 2013, we will have paid $8.83 per share in cumulative dividends since our October 2007 initial public offering.

During November 2012, we amended our $287.5 million credit facility (the "Credit Facility") to extend the final maturity to five years, through September 2017. The amended Credit Facility contains an upsized accordion feature which allows us to increase the total commitments under the facility up to $400 million from new or existing lenders on the same terms and conditions as the existing commitments. The Credit Facility includes an initial revolving period through September 2015 followed by a two-year term out period with a final maturity in September 2017, and contains two, one-year extension options which could extend both the revolving period and the final maturity by up to two years.

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The Offering

Common stock offered by us	2,500,000 shares
Common stock outstanding prior to this offering	31,682,723 shares
Common stock to be outstanding after this offering	34,182,723 shares
Over-allotment option	375,000 shares
Use of proceeds	The net proceeds from this offering (without exercise of the over-allotment option and before deducting estimated expenses payable by us of approximately $200,000) will be $67,200,000. We intend to initially use the net proceeds from this offering to repay outstanding debt borrowed under our $287.5 million Credit Facility. However, through re-borrowing of the initial repayments under our $287.5 million Credit Facility, we intend to use the net proceeds from this offering to make investments in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus, to make investments in marketable securities and idle funds investments, which may include investments in secured intermediate term bank debt, rated debt securities and other income producing investments, to pay our operating expenses and other cash obligations, and for general corporate purposes. See "Use of Proceeds" below.
Dividends and distributions	Our dividends and other distributions, if any, will be determined by our Board of Directors from time to time. Our ability to declare dividends depends on our earnings, our overall financial condition (including our liquidity position), maintenance of our RIC status and such other factors as our Board of Directors may deem relevant from time to time. From our IPO through the third quarter of 2008 we paid quarterly dividends, but in the fourth quarter of 2008 we began paying, and we intend to continue paying, monthly dividends to our stockholders. When we make monthly distributions, we are required to determine the extent to which such distributions are paid out of current or accumulated earnings, recognized capital gains or capital. To the extent there is a return of capital, investors will be required to reduce their basis in our stock for federal tax purposes. In the future, our distributions may include a return of capital.

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	In November 2012, we declared a special dividend of $0.35 per share for January 2013 and regular monthly dividends of $0.15 per share for each of January, February and March 2013. These regular monthly dividends equate to a total of $0.45 per share for the first quarter of 2013. Investors who purchase shares of our common stock in this offering will be entitled to receive the January special and regular monthly dividend payments and subsequent monthly dividends provided that they continue to hold such shares.
Taxation	MSCC has elected to be treated for federal income tax purposes as a RIC under Subchapter M of the Code. Accordingly, we generally will not pay corporate-level federal income taxes on any net ordinary income or capital gains that we distribute to our stockholders as dividends. To maintain our qualification as a RIC for federal income tax purposes, we must meet specified source-of-income and asset diversification requirements and distribute annually at least 90% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% excise tax on such income. Any such carryover taxable income must be distributed through a dividend declared prior to filing the final tax return related to the year which generated such taxable income. See "Material U.S. Federal Income Tax Considerations" in the accompanying prospectus.
Risk factors	See "Risk Factors" beginning on page 13 of the accompanying prospectus for a discussion of risks you should carefully consider before deciding to invest in shares of our common stock.
New York Stock Exchange symbol	"MAIN"

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FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in this offering will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this prospectus supplement contains a reference to fees or expenses paid by "you," "us" or "Main Street," or that "we" will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in us.

Stockholder Transaction Expenses:	
Sales load (as a percentage of offering price)	4.00%(1)
Offering expenses (as a percentage of offering price)	0.29%(2)
Dividend reinvestment plan expenses	(3)
Total stockholder transaction expenses (as a percentage of offering price)	4.29%
Annual Expenses (as a percentage of net assets attributable to common stock):	
Operating expenses	2.80%(4)
Interest payments on borrowed funds	2.82%(5)
Income tax expense	1.14%(6)
Acquired fund fees and expenses	0.08%(7)
Total annual expenses	6.84%

(1) Represents the underwriting discount with respect to the shares sold by us in this offering.

(2) The offering expenses of this offering borne by us are estimated to be approximately $200,000. If the underwriters exercise their over-allotment option in full, the offering expenses borne by us (as a percentage of the offering price) will be approximately 0.25%.

(3) The expenses of administering our dividend reinvestment plan are included in operating expenses.

(4) Operating expenses in this table represent the estimated expenses of MSCC and its consolidated subsidiaries, plus the estimated expenses of the Investment Manager as if it were consolidated with MSCC for accounting purposes. The Investment Manager is accounted for as a portfolio investment and is not consolidated with MSCC and its consolidated subsidiaries. See Note D to our consolidated financial statements for a detailed discussion of the financial and other arrangements between MSCC and its consolidated subsidiaries and the Investment Manager.

(5) Interest payments on borrowed funds represent our estimated annual interest payments on borrowed funds based on current debt levels as adjusted for projected increases (but not decreases) in debt levels over the next twelve months.

(6) Income tax expense primarily relates to the accrual of deferred taxes on the net unrealized appreciation from portfolio investments held in Taxable Subsidiaries, which is non-cash in nature and may vary significantly from period to period. We are required to include deferred taxes in calculating our annual expenses even though these deferred taxes are not currently payable. Due to the variable nature of this expense and the difficulty in providing an estimate for future periods, this income tax expense estimate is based upon the actual amount of income tax expense for the year ended December 31, 2011. The ratio of total annual expenses to net assets, before income tax expense, would be 5.70%.

(7) Acquired fund fees and expenses represent the estimated indirect expense incurred due to investments in other investment companies and private funds.

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Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we would have no additional leverage and that our annual operating expenses would remain at the levels set forth in the table above, and that you would pay a sales load of 4.00% (the underwriting discount to be paid by us with respect to common stock sold by us in this offering).

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return	$ 110.6	$ 242.5	$ 369.5	$ 667.1

The example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. While the example assumes, as required by the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. In addition, while the example assumes reinvestment of all dividends at net asset value, participants in our dividend reinvestment plan will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by (i) the market price per share of our common stock at the close of trading on the dividend payment date in the event that we use newly issued shares to satisfy the share requirements of the dividend reinvestment plan or (ii) the average purchase price of all shares of common stock purchased by the administrator of the dividend reinvestment plan in the event that shares are purchased in the open market to satisfy the share requirements of the dividend reinvestment plan, which may be at, above or below net asset value. See "Dividend Reinvestment Plan" in the accompanying prospectus for additional information regarding our dividend reinvestment plan.

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USE OF PROCEEDS

The net proceeds from the sale of the 2,500,000 shares of common stock in this offering are $67,000,000, and $77,080,000 if the underwriter's over-allotment option is exercised in full, after deducting the underwriting discount and estimated offering expenses payable by us.

We intend to initially use the net proceeds from this offering to repay outstanding debt borrowed under our $287.5 million Credit Facility. However, through re-borrowing of the initial repayments under our $287.5 million Credit Facility, we intend to use the net proceeds from this offering to make investments in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus, to make investments in marketable securities and idle funds investments, which may include investments in secured intermediate term bank debt, rated debt securities and other income producing investments, to pay our operating expenses and other cash obligations, and for general corporate purposes. Our ability to achieve our investment objective may be limited to the extent that the net proceeds from an offering, pending full investment, are held in interest bearing deposits or other short-term instruments. See "Risk Factors Risks Relating to Our Securities We may be unable to invest a significant portion of the net proceeds from an offering or from exiting an investment or other capital on acceptable terms, which could harm our financial condition and operating results" in the accompanying prospectus.

At December 7, 2012, we had approximately $108.0 million outstanding under our $287.5 million Credit Facility. Our Credit Facility matures in September 2017, unless extended, and bears interest, at our election, on a per annum basis equal to (i) the applicable LIBOR rate plus 2.50% or (ii) the applicable base rate plus 1.50%. Amounts repaid under our $287.5 million Credit Facility will remain available for future borrowings. As of September 30, 2012, the interest rate on our $287.5 million Credit Facility was 2.7%.

Affiliates of Raymond James & Associates, Inc., BB&T Capital Markets and RBC Capital Markets, LLC, underwriters in this offering, act as lenders and/or agents under our $287.5 million Credit Facility. As described above, we intend to use net proceeds of this offering to repay the outstanding indebtedness under this Credit Facility, and such affiliates therefore may receive a portion of the proceeds from this offering through the repayment of those borrowings. See "Underwriting Conflicts of Interest" below.

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CAPITALIZATION

The following table sets forth our capitalization:

- on an actual basis as of September 30, 2012; and

- on an as-adjusted basis giving effect to the sale of 2,500,000 shares of our common stock in this offering at the public offering price of $28.00 per share, less estimated underwriting discounts and offering expenses payable by us.

This table should be read in conjunction with "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Interim Financial Statements" in this prospectus supplement.

	As of September 30, 2012	
	Actual	As-adjusted for this Offering
	(Unaudited) (in thousands, except shares)	
Cash and cash equivalents	$ 19,584	$ 19,584
Marketable securities and idle funds investments (cost: $1,965)	2,038	2,038
Total cash and cash equivalents, marketable securities and idle funds investments	$ 21,622	$ 21,622
SBIC debentures (par: $209,000; par of $100,000 is recorded at a fair value of $85,083)	$ 194,083	$ 194,083
Credit facility(1)	103,000	36,000
Net asset value:		
Common stock, $0.01 par value per share (150,000,000 shares authorized; 31,619,333 and 34,119,333 issued and outstanding, actual and as adjusted for this offering, respectively)	316	341
Additional paid-in capital	464,141	531,116
Accumulated net investment income, net of cumulative dividends of $101,853	31,289	31,289
Accumulated net realized gain from investments, net of cumulative dividends of $27,852	(29,158)	(29,158)
Net unrealized appreciation, net of income taxes	86,566	86,566
Total net asset value	553,154	620,154
Total capitalization	$ 850,237	$ 850,237

(1) As of December 7, 2012, we had approximately $108.0 million outstanding under our $287.5 million credit facility and $216.0 million of SBIC debentures. This table has not been adjusted to reflect our additional borrowings under the credit facility or SBIC debentures issued subsequent to September 30, 2012.

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SELECTED FINANCIAL DATA

The selected financial and other data below reflects the consolidated financial condition and the consolidated statement of operations of Main Street and its subsidiaries as of and for the years ended December 31, 2011, 2010, 2009, 2008 and 2007 and as of and for the nine months ended September 30, 2012 and 2011. The selected financial data at December 31, 2011, 2010, 2009, 2008 and 2007 and for the years ended December 31, 2011, 2010, 2009, 2008 and 2007, have been derived from consolidated financial statements that have been audited by Grant Thornton LLP, an independent registered public accounting firm. The selected financial data at September 30, 2012, and for the nine months ended September 30, 2012 and 2011, have been derived from unaudited financial data but, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the financial condition and operating results for such interim periods. Interim results as of and for the nine months ended September 30, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012. You should read this selected financial data in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Senior Securities" and the financial statements and related notes thereto in the accompanying prospectus and "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Interim Financial Statements" in this prospectus supplement.

	Nine Months Ended September 30,		Years Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
			(dollars in thousands)				
	(Unaudited)						
Statement of operations data:							
Investment income:							
Total interest, fee and dividend income	$ 62,756	$ 45,761	$ 65,045	$ 35,645	$ 14,514	$ 16,123	$ 11,312
Interest from idle funds and other	1,599	829	1,195	863	1,488	1,172	1,163
Total investment income	64,355	46,590	66,240	36,508	16,002	17,295	12,475
Expenses:							
Interest	(11,967)	(9,882)	(13,518)	(9,058)	(3,791)	(3,778)	(3,246)
General and administrative	(1,757)	(1,585)	(2,483)	(1,437)	(1,351)	(1,684)	(512)
Expenses reimbursed to Investment Manager	(7,574)	(6,287)	(8,915)	(5,263)	(570)	(1,007)	
Share-based compensation	(1,860)	(1,466)	(2,047)	(1,489)	(1,068)	(511)	
Management fees to affiliate							(1,500)
Professional costs related to initial public offering							(695)
Total expenses	(23,158)	(19,220)	(26,963)	(17,247)	(6,780)	(6,980)	(5,953)
Net investment income	41,197	27,370	39,277	19,261	9,222	10,315	6,522
Total net realized gain (loss) from investments	5,335	1,697	2,639	(2,880)	(7,798)	1,398	4,692
Net realized income	46,532	29,067	41,916	16,381	1,424	11,713	11,214
Total net change in unrealized appreciation (depreciation) from investments	40,467	16,778	28,478	19,639	8,242	(3,961)	(5,406)
Income tax benefit (provision)	(7,041)	(3,302)	(6,288)	(941)	2,290	3,182	(3,263)
Bargain purchase gain				4,891			
Net increase in net assets resulting from operations	79,958	42,543	64,106	39,970	11,956	10,934	2,545
Noncontrolling interest	(54)	(158)	(1,139)	(1,226)			
Net increase in net assets resulting from operations attributable to common stock	$ 79,904	$ 42,385	$ 62,967	$ 38,744	$ 11,956	$ 10,934	$ 2,545
Net investment income per share basic and diluted	$ 1.44	$ 1.23	$ 1.69	$ 1.16	$ 0.92	$ 1.13	$ 0.76
Net realized income per share basic and diluted	$ 1.62	$ 1.30	$ 1.80	$ 0.99	$ 0.14	$ 1.29	$ 1.31
Net increase in net assets resulting from operations attributable to common stock per share basic and diluted	$ 2.79	$ 1.94	$ 2.76	$ 2.38	$ 1.19	$ 1.20	$ 0.30
Weighted average shares outstanding basic and diluted	28,615,877	21,824,775	22,850,299	16,292,846	10,042,639	9,095,904	8,587,701

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	As of September 30, 2012	As of December 31, 2011	2010	2009	2008	2007
		(dollars in thousands)				
	(Unaudited)					
Balance sheet data:						
Assets:						
Total portfolio investments at fair value	$ 834,592	$ 658,093	$ 407,987	$ 159,154	$ 127,007	$ 105,650
Marketable securities and idle funds investments	2,038	26,242	9,577	839	4,390	24,063
Cash and cash equivalents	19,584	42,650	22,334	30,620	35,375	41,889
Deferred tax asset, net			1,958	2,716	1,121	
Interest receivable and other assets	11,818	6,539	4,524	1,510	1,101	1,576
Deferred financing costs, net of accumulated amortization	3,766	4,168	2,544	1,611	1,635	1,670
Total assets	$ 871,798	$ 737,692	$ 448,924	$ 196,450	$ 170,629	$ 174,848
Liabilities and net assets:						
SBIC debentures at fair value	$ 194,083	$ 201,887	$ 155,558	$ 65,000	$ 55,000	$ 55,000
Credit facility	103,000	107,000	39,000			
Deferred tax liability, net	9,426	3,776				3,026
Interest payable	1,197	3,984	3,195	1,069	1,108	1,063
Dividend payable	4,743	2,856			726	
Accounts payable and other liabilities	6,195	7,001	1,188	721	1,439	610
Total liabilities	318,644	326,504	198,941	66,790	58,273	59,699
Total net asset value	553,154	405,711	245,535	129,660	112,356	115,149
Noncontrolling interest		5,477	4,448			
Total liabilities and net assets	$ 871,798	$ 737,692	$ 448,924	$ 196,450	$ 170,629	$ 174,848
Other data:						
Weighted average effective yield on LMM debt investments(1)	14.7%	14.8%	14.5%	14.3%	14.0%	14.3%
Number of LMM portfolio companies(2)	57	54	44	35	31	27
Weighted average effective yield on Middle Market debt investments(1)	8.6%	9.5%	10.5%	11.8%	N/A	N/A
Number of Middle Market portfolio companies	79	57	32	6	N/A	N/A
Expense ratios (as percentage of average net assets):						
Total expenses, including income tax expense	6.3%(4)(5)	9.8%(4)	8.8%(4)	5.6%	6.1%	16.2%(3)
Operating expenses	4.8%(4)(5)	8.0%(4)	8.3%(4)	5.6%	6.1%	10.5%(3)
Operating expenses, excluding interest expense	2.3%(4)(5)	4.0%(4)	4.0%(4)	2.5%	2.8%	4.8%(3)

(1) Weighted-average effective yield is calculated based on our debt investments at the end of each period and includes amortization of deferred debt origination fees and accretion of original issue discount, but excludes liquidation fees payable upon repayment and any debt investments on non-accrual status.

(2) Excludes the investment in affiliated Investment Manager, as discussed elsewhere in this prospectus supplement.

(3) The ratio for the year ended December 31, 2007 reflects the impact of professional costs related to the IPO. These costs were 25.7% of operating expenses for the year.

(4) Ratios are net of amounts attributable to MSC II non-controlling interest.

(5) Not annualized.

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INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and notes thereto contained elsewhere in this prospectus supplement.

Statements we make in the following discussion which express a belief, expectation or intention, as well as those that are not historical fact, are forward-looking statements that are subject to risks, uncertainties and assumptions. Our actual results, performance or achievements, or industry results, could differ materially from those we express in the following discussion as a result of a variety of factors, including the risks and uncertainties we have referred to under the headings "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors" in the accompanying prospectus.

ORGANIZATION

Main Street Capital Corporation ("MSCC") was formed on March 9, 2007 for the purpose of (i) acquiring 100% of the equity interests of Main Street Mezzanine Fund, LP ("MSMF") and its general partner, Main Street Mezzanine Management, LLC ("MSMF GP"), (ii) acquiring 100% of the equity interests of Main Street Capital Partners, LLC (the "Investment Manager"), (iii) raising capital in an initial public offering, which was completed in October 2007 (the "IPO"), and (iv) thereafter operating as an internally managed business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). MSMF is licensed as a Small Business Investment Company ("SBIC") by the United States Small Business Administration ("SBA") and the Investment Manager acts as MSMF's manager and investment adviser. Because the Investment Manager, which employs all of the executive officers and other employees of MSCC, is wholly owned by us, we do not pay any external investment advisory fees, but instead we incur the operating costs associated with employing investment and portfolio management professionals through the Investment Manager. The IPO and related transactions discussed above were consummated in October 2007 and are collectively termed the "Formation Transactions."

On January 7, 2010, MSCC consummated transactions (the "Exchange Offer") to exchange 1,239,695 shares of its common stock for approximately 88% of the total dollar value of the limited partner interests in Main Street Capital II, LP ("MSC II" and, together with MSMF, the "Funds"). Pursuant to the terms of the Exchange Offer, 100% of the membership interests in the general partner of MSC II, Main Street Capital II GP, LLC ("MSC II GP"), were also transferred to MSCC for no consideration. MSC II commenced operations in January 2006, is an investment fund that operates as an SBIC and is also managed by the Investment Manager. During the first quarter of 2012, MSCC exchanged 229,634 shares of its common stock to acquire all of the remaining minority ownership in the total dollar value of the MSC II limited partnership interests, including approximately 5% owned by affiliates of MSCC (the "Final MSC II Exchange"). After the completion of the Final MSC II Exchange, MSCC owns 100% of MSC II. The Exchange Offer and related transactions, including the transfer of the MSC II GP interests and the Final MSC II Exchange, are collectively termed the "Exchange Offer Transactions."

MSCC has elected to be treated for federal income tax purposes as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, MSCC generally will not pay corporate-level federal income taxes on any net ordinary income or capital gains that it distributes to its stockholders as dividends.

MSCC has direct and indirect wholly owned subsidiaries that have elected to be taxable entities (the "Taxable Subsidiaries"). The primary purpose of these entities is to hold certain investments that generate "pass through" income for tax purposes. The Taxable Subsidiaries are each taxed at their normal corporate tax rates based on their taxable income.

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Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our" and "Main Street" refer to MSCC and its consolidated subsidiaries, which include the Funds and the Taxable Subsidiaries.

OVERVIEW

We are a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies and debt capital to middle market ("Middle Market") companies. Our portfolio investments are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse industry sectors. We seek to partner with entrepreneurs, business owners and management teams and generally provide "one stop" financing alternatives within our LMM portfolio. We invest primarily in secured debt investments, equity investments, warrants and other securities of LMM companies based in the United States and in secured debt investments of Middle Market companies generally headquartered in the United States. Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and capital appreciation from our equity and equity related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. Our LMM companies generally have annual revenues between $10 million and $150 million, and our LMM portfolio investments generally range in size from $5 million to $25 million. Our Middle Market investments are made in businesses that are generally larger in size than our LMM portfolio companies, with annual revenues typically between $150 million and $1.5 billion, and our Middle Market investments generally range in size from $3 million to $15 million. Our other portfolio ("Other Portfolio") investments primarily consist of investments which are not consistent with the typical profiles for LMM and Middle Market portfolio investments, including investments which may be managed by third parties. In our Other Portfolio, we may incur indirect fees and expenses in connection with investments managed by third parties, such as investments in other investment companies or private funds.

We seek to fill the current financing gap for LMM businesses, which, historically, have had more limited access to financing from commercial banks and other traditional sources. The underserved nature of the lower middle market creates the opportunity for us to meet the financing needs of LMM companies while also negotiating favorable transaction terms and equity participations. Our ability to invest across a company's capital structure, from senior secured loans to equity securities, allows us to offer portfolio companies a comprehensive suite of financing solutions, or "one stop" financing. Providing customized, "one stop" financing solutions has become even more relevant to our LMM portfolio companies in the current investing environment. We generally seek to partner directly with entrepreneurs, management teams and business owners in making our investments. We believe that our LMM investment strategy has a lower correlation to the broader debt and equity markets.

As of September 30, 2012, we had debt and equity investments in 57 LMM portfolio companies with an aggregate fair value of $467.6 million, with a total cost basis of approximately $365.9 million, and a weighted average annual effective yield on our LMM debt investments of approximately 14.7%. Approximately 78% of our total LMM portfolio investments at cost were in the form of debt investments and 95% of such debt investments at cost were secured by first priority liens on the assets of our LMM portfolio companies as of September 30, 2012. At September 30, 2012, we had equity ownership in approximately 88% of our LMM portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 32%. As of December 31, 2011, we had debt and equity investments in 54 LMM portfolio companies with an aggregate fair value of $415.7 million with a total cost basis of approximately $349.0 million and a weighted average annual effective yield on our LMM debt investments of approximately 14.8%. The weighted average annual yields were computed using the effective interest rates for all debt investments as of September 30, 2012 and December 31, 2011, including amortization of deferred debt origination fees and accretion of original

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issue discount but excluding liquidation fees payable upon repayment and any debt investments on non-accrual status.

In addition to our LMM investment strategy, we pursue investments in Middle Market companies. Our Middle Market portfolio investments primarily consist of direct or secondary purchases of interest-bearing debt securities in companies that are generally larger in size than the LMM companies included in our LMM portfolio. Our Middle Market portfolio debt investments are generally secured by either a first or second priority lien on the assets of the company and have an expected duration of between three and five years.

As of September 30, 2012, we had Middle Market portfolio investments in 79 companies collectively totaling approximately $350.7 million in fair value with a total cost basis of approximately $345.9 million. The weighted average revenues for the 79 Middle Market portfolio company investments was approximately $518 million. Our Middle Market portfolio investments are primarily in the form of debt investments and 88% of such debt investments at cost were secured by first priority liens on portfolio company assets as of September 30, 2012. The weighted average annual effective yield on our Middle Market portfolio debt investments was approximately 8.6% as of September 30, 2012. As of December 31, 2011, we had Middle Market portfolio investments in 57 companies collectively totaling approximately $226.5 million in fair value with a total cost basis of approximately $228.9 million. The weighted average revenues for the 57 Middle Market portfolio company investments were approximately $473 million. The weighted average annual effective yield on our Middle Market portfolio debt investments was approximately 9.5% as of December 31, 2011. The weighted average annual yields were computed using the effective interest rates for all debt investments as of September 30, 2012 and December 31, 2011, including amortization of deferred debt origination fees and accretion of original issue discount but excluding liquidation fees payable upon repayment.

As of September 30, 2012, we had Other Portfolio investments in 3 companies collectively totaling approximately $16.1 million in fair value and $15.8 million in cost basis. As of December 31, 2011, we had Other Portfolio investments in 3 companies collectively totaling approximately $14.1 million in both fair value and cost basis.

Our portfolio investments are generally made through MSCC and the Funds. MSCC and the Funds share the same investment strategies and criteria, although they are subject to different regulatory regimes. An investor's return in MSCC will depend, in part, on the Funds' investment returns as MSMF and MSC II are both wholly owned subsidiaries of MSCC.

The level of new portfolio investment activity will fluctuate from period to period based upon our view of the current economic fundamentals, our ability to identify new investment opportunities that meet our investment criteria, and our ability to consummate the identified opportunities. The level of new investment activity, and associated interest and fee income, will directly impact future investment income. In addition, the level of dividends paid by portfolio companies and the portion of our portfolio debt investments on non-accrual status will directly impact future investment income. While we intend to grow our portfolio and our investment income over the long-term, our growth and our operating results may be more limited during depressed economic periods. However, we intend to appropriately manage our cost structure and liquidity position based on applicable economic conditions and our investment outlook. The level of realized gains or losses and unrealized appreciation or depreciation will also fluctuate depending upon portfolio activity and the performance of our individual portfolio companies. The changes in realized gains and losses and unrealized appreciation or depreciation could have a material impact on our operating results.

MSCC and its consolidated subsidiaries are internally managed by the Investment Manager, a wholly owned subsidiary of MSCC, which employs all of the executive officers and other employees of Main Street. Because the Investment Manager is wholly owned by MSCC, MSCC does not pay any

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external investment advisory fees, but instead incurs the operating costs associated with employing investment and portfolio management professionals through the Investment Manager. We believe that our internally managed structure provides us with a beneficial operating expense structure when compared to other publicly-traded and privately-held investment firms which are externally managed, and our internally managed structure allows us the opportunity to leverage our non-interest operating expenses as we grow our investment portfolio. For the three and nine months ended September 30, 2012, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.6% and 1.9% respectively, on an annualized basis, compared to 1.9% and 2.2% respectively, on an annualized basis for the three and nine months ended September 30, 2011 and 2.2% for the year ended December 31, 2011.

In addition, during May of 2012, we and the Investment Manager executed an investment sub-advisory agreement with HMS Adviser, LP, which is the investment advisor to HMS Income Fund, Inc., a recently-formed BDC whose registration statement on Form N-2 was declared effective by the SEC on June 4, 2012, to provide certain investment advisory services to HMS Adviser, LP. We are initially providing such investment advisory services to HMS Adviser, LP, but ultimately intend that the Investment Manager provide such services because the fees we receive from such arrangement have negative consequences on our ability to meet the source-of-income requirement necessary for us to maintain our qualification as a RIC for federal income tax purposes. We will need to obtain certain relief from the SEC before the Investment Manager is permitted to provide these services to HMS Adviser, LP, which we are seeking, but there can be no assurance that we will obtain such relief.

For the nine months ended September 30, 2012, we paid dividends on a monthly basis totaling $1.260 per share, or $35.4 million. In July 2012, we declared monthly dividends of $0.15 per share for each of October, November and December 2012. These monthly dividends equal a total of $0.45 per share for the fourth quarter of 2012. The fourth quarter 2012 dividends represent an 11.1% increase from the dividends declared for the fourth quarter of 2011 and a 3.4% increase compared to the third quarter of 2012. During November 2012, we declared a special dividend of $0.35 per share for January 2013 and regular monthly dividends of $0.15 per share for each of January, February and March 2013. These regular monthly dividends equal a total of $0.45 per share for the first quarter of 2013. The first quarter 2013 regular monthly dividends represent an 11.1% increase from the dividends declared for the first quarter of 2012. During 2011, we paid monthly dividends of $1.56 per share for the entire year. Including the dividends declared for the third and fourth quarters, we will pay a total of $1.71 per share during 2012. Including the special dividend and the regular monthly dividends declared through the first quarter of 2013, we will have paid $8.83 per share in cumulative dividends since our October 2007 initial public offering.

At September 30, 2012, we had $19.6 million in cash and cash equivalents and $2.0 million in "Marketable securities and idle funds investments".

In May 2012, we expanded the Credit Facility from $235.0 million to $277.5 million to provide additional liquidity in support of future investment and operational activities. The $42.5 million increase in total commitments included commitment increases by three lenders currently participating in the Credit Facility. The Credit Facility contained an upsized accordion feature that allowed for a further increase in total commitments under the facility up to $350.0 million of total commitments from new and existing lenders on the same terms and conditions as the existing commitments. In July 2012, we expanded the Credit Facility from $277.5 million to $287.5 million. The $10.0 million increase in total commitments included the addition of one new lender relationship which further diversifies our lending group to a total of nine participants. At September 30, 2012, Main Street had $103 million in borrowings outstanding under the Credit Facility. Subsequent to September 30, 2012, Main Street amended the Credit Facility to, among other things, extend its maturity and increase the accordion feature. See further discussion of this amendment to the Credit Facility in "Prospectus Summary Recent Developments".

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In June 2012, we completed a follow-on public stock offering in which we sold 4,312,500 shares of common stock, including the underwriters' full exercise of the over-allotment option, at a price to the public of $22.50 per share (or approximately 143% of the then latest reported Net Asset Value per share), resulting in total net proceeds of approximately $93.0 million, after deducting underwriters' commissions and offering costs.

CRITICAL ACCOUNTING POLICIES

Basis of Presentation

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). For the three and nine months ended September 30, 2012 and 2011, our consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries, which include the Funds and the Taxable Subsidiaries. Portfolio investments, as used herein, refers to all of our portfolio investments in LMM companies, Middle Market portfolio investments, Other Portfolio investments and our investment in the Investment Manager but excludes all of our "Marketable securities and idle funds investments." Marketable securities and idle funds investments are classified as financial instruments and are reported separately on our Consolidated Balance Sheets and Consolidated Schedule of Investments due to the nature of such investments. Our results of operations for the three and nine months ended September 30, 2012 and 2011, cash flows for the nine months ended September 30, 2012 and 2011 and financial position as of September 30, 2012 and December 31, 2011, are presented on a consolidated basis. The effects of all intercompany transactions between Main Street and its consolidated subsidiaries have been eliminated in consolidation. Certain reclassifications have been made to prior period balances to conform with the current financial statement presentation, including certain investments previously classified as Marketable securities and idle funds investments that are now considered a part of the Middle Market portfolio and are now classified as "Non-Control/Non-Affiliate investments."

The accompanying unaudited consolidated financial statements of Main Street are presented in conformity with U.S. GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, the unaudited consolidated financial results included herein contain all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods included herein. The results of operations for the three and nine months ended September 30, 2012 are not necessarily indicative of the operating results to be expected for the full year. Also, the unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2011. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Under the investment company rules and regulations pursuant to Article 6 of Regulation S-X and the Audit and Accounting Guide for Investment Companies issued by the American Institute of Certified Public Accountants (the "AICPA Guide"), we are precluded from consolidating portfolio company investments, including those in which we have a controlling interest, unless the portfolio company is another investment company. An exception to this general principle in the AICPA Guide occurs if we own a controlled operating company that provides all or substantially all of its services directly to us, or to an investment company of ours. None of the investments made by us qualify for this exception. Therefore, our portfolio investments are carried on the balance sheet at fair value, as discussed further in Note B to our consolidated financial statements, with any adjustments to fair value recognized as "Net Change in Unrealized Appreciation (Depreciation)" on our Statement of

Operations until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "Net Realized Gain (Loss) from Investments."

Portfolio Investment Valuation

The most significant determination inherent in the preparation of our consolidated financial statements is the valuation of our portfolio investments and the related amounts of unrealized appreciation and depreciation. As of September 30, 2012 and December 31, 2011, approximately 96% and 89%, respectively, of our total assets represented investments in portfolio companies valued at fair value (including our investment in the Investment Manager). We are required to report our investments at fair value. We follow the provisions of the Accounting Standards Codification ("Codification" or "ASC") 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements.

Our portfolio strategy calls for us to invest primarily in illiquid securities issued by private, LMM companies as well as debt securities issued by Middle Market companies that are generally larger in size than the LMM companies. Our portfolio also includes Other Portfolio investments which primarily consist of investments which are not consistent with the typical profiles for LMM and Middle Market portfolio investments, including investments which may be managed by third parties. All of our portfolio investments may be subject to restrictions on resale. LMM companies and Other Portfolio companies generally have no established trading market while Middle Market securities generally have established markets that are not active. We determine in good faith the fair value of our portfolio investments pursuant to a valuation policy in accordance with ASC 820 and a valuation process approved by our Board of Directors and in accordance with the 1940 Act. For LMM investments, we review external events, including private mergers, sales and acquisitions involving comparable companies, and include these events in the valuation process. For Middle Market portfolio debt and Other Portfolio debt investments, we primarily use observable inputs such as quoted prices in the valuation process. For Other Portfolio equity investments we generally value such investments based on the fair value of the portfolio company as determined by independent third parties, and based on our proportional ownership in the portfolio company, as well as the financial position and assessed risk of each of these portfolio investments. Our valuation policy and process is intended to provide a consistent basis for determining the fair value of the portfolio.

For valuation purposes, "control" LMM portfolio investments are composed of debt and equity securities for which we have a controlling interest in the portfolio company or the ability to nominate a majority of the portfolio company's board of directors. Market quotations are generally not readily available for our control LMM portfolio investments. For control LMM portfolio investments, we determine the fair value using a combination of market and income approaches. Under the market approach, we will typically use the enterprise value methodology to determine the fair value of these investments. The enterprise value is the fair value at which an enterprise could be sold in a transaction between two willing parties, other than through a forced or liquidation sale. Typically, private companies are bought and sold based on multiples of earnings before interest, taxes, depreciation and amortization, or EBITDA, cash flows, net income, revenues, or in limited cases, book value. There is no single methodology for estimating enterprise value. For any one portfolio company, enterprise value is generally described as a range of values from which a single estimate of enterprise value is derived. In estimating the enterprise value of a portfolio company, we analyze various factors, including the portfolio company's historical and projected financial results. We allocate the enterprise value to investments in order of the legal priority of the various components of the portfolio company's capital structure. We will also use the income approach to determine the fair value of these securities, based on projections of the discounted future free cash flows that the portfolio company or the debt security will likely generate. The valuation approaches for our control LMM portfolio investments estimate the value of the investment if we were to sell, or exit, the investment. In addition, these valuation approaches consider the value associated with our ability to control the capital structure of the portfolio company, as well as the timing of a potential exit.

For valuation purposes, "non-control" LMM portfolio investments are composed of debt and equity securities for which we do not have a controlling interest in the portfolio company or the ability to nominate a majority of the portfolio company's board of directors. Market quotations are generally not readily available for non-control LMM portfolio investments. For our non-control LMM investments, we use a combination of the market and income approaches to value our equity investments and the income approach to value our debt investments. For non-control LMM debt investments, we determine the fair value primarily using a yield approach that analyzes the discounted cash flows of interest and principal for the debt security, as set forth in the associated loan agreements, as well as the financial position and credit risk of each of these portfolio investments. Our estimate of the expected repayment date of a LMM debt security is generally the legal maturity date of the instrument, as we generally intend to hold our loans to maturity. The yield analysis considers changes in leverage levels, credit quality, portfolio company performance and other factors. We will use the value determined by the yield analysis as the fair value for that security; however, because of our general intent to hold our loans to maturity, the fair value will not exceed the face amount of the LMM debt security. A change in the assumptions that we use to estimate the fair value of our LMM debt securities using the yield analysis could have a material impact on the determination of fair value. If there is deterioration in credit quality or if a LMM debt security is in workout status, we may consider other factors in determining the fair value of the LMM debt security, including the value attributable to the debt security from the enterprise value of the portfolio company or the proceeds that would most likely be received in a liquidation analysis.

Our Middle Market portfolio investments primarily consist of direct or secondary purchases of interest-bearing debt securities in companies that are generally larger in size than the LMM companies included in our investment portfolio. For valuation purposes, all of our Middle Market portfolio investments are non-control investments and are primarily composed of debt securities for which we do not have a controlling interest in the portfolio company or the ability to nominate a majority of the portfolio company's board of directors. We primarily use observable inputs to determine the fair value of these investments through obtaining third party quotes or independent pricing. For Middle Market portfolio investments for which sufficient observable inputs are not available to determine fair value, we generally use an approach similar to the income approach using a yield-to-maturity model used to value our LMM portfolio debt investments.

For valuation purposes, all of our Other Portfolio investments are non-control investments and are composed of securities for which we generally do not have a controlling interest in the portfolio company or the ability to nominate a majority of the portfolio company's board of directors. Similar to the LMM investment portfolio, market quotations for Other Portfolio equity investments are generally not readily available. We value our Other Portfolio equity investments based on the fair value of the portfolio company as determined by independent third parties and based on our proportional ownership in the portfolio company, as well as the financial position and assessed risk of each of these portfolio investments. For Other Portfolio debt investments with observable inputs, we determine the fair value of these investments through obtaining third party quotes or other independent pricing. To the extent observable inputs are not available for our Other Portfolio debt instruments, we value these Other Portfolio debt investments through an approach similar to the income approach using a yield-to-maturity model used to value our non-control LMM portfolio debt investments.

Due to the inherent uncertainty in the valuation process, our determination of fair value for certain portfolio investments may differ materially from the values that would have been used had a ready market for the securities existed. In addition, changes in the market environment, portfolio company performance and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned. We determine the fair value of each individual investment and record changes in fair value as unrealized appreciation or depreciation.

Revenue Recognition

Interest and Dividend Income

We record interest and dividend income on the accrual basis to the extent amounts are expected to be collected. Dividend income is recorded as dividends are declared or at the point an obligation exists for the portfolio company to make a distribution. In accordance with our valuation policy, we evaluate accrued interest and dividend income periodically for collectability. When a loan or debt security becomes 90 days or more past due, and if we otherwise do not expect the debtor to be able to service all of its debt or other obligations, we will generally place the loan or debt security on non-accrual status and cease recognizing interest income on that loan or debt security until the borrower has demonstrated the ability and intent to pay contractual amounts due. If a loan or debt security's status significantly improves regarding the debtor's ability to service the debt or other obligations, or if a loan or debt security is fully impaired, sold or written off, we will remove it from non-accrual status.

Fee Income

We may periodically provide services, including structuring and advisory services, to our portfolio companies. For services that are separately identifiable and evidence exists to substantiate fair value, income is recognized as earned, which is generally when the investment or other applicable transaction closes. Fees received in connection with debt financing transactions for services that do not meet these criteria are treated as debt origination fees and are accreted into interest income over the life of the financing.

Payment-in-Kind ("PIK") Interest and Cumulative Dividends

We hold debt and preferred equity instruments in our investment portfolio that contain payment-in-kind ("PIK") interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any unpaid dividends are added to the balance of the preferred equity investment. The actual collection of these dividends may be deferred until such time as the preferred equity is redeemed. To maintain our qualification as a RIC for federal income tax purposes (as discussed below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though we may not have collected the PIK interest and cumulative dividends in cash. We will stop accruing PIK interest and cumulative dividends and will write off any accrued and uncollected interest and dividends in arrears when it is determined that such PIK interest and dividends in arrears are no longer collectible.

Share-Based Compensation

We account for our share-based compensation plans using the fair value method, as prescribed by ASC 718, *Compensation Stock Compensation*. Accordingly, for restricted stock awards, we measured the grant date fair value based upon the market price of our common stock on the date of the grant and will amortize this fair value to share-based compensation expense over the requisite service period or vesting term.

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Income Taxes

MSCC has elected to be treated for federal income tax purposes as a RIC. As a RIC, MSCC generally will not pay corporate-level federal income taxes on any net ordinary income or capital gains that MSCC distributes to its stockholders as dividends. MSCC must generally distribute at least 90% of its investment company taxable income to qualify for pass-through tax treatment and maintain its RIC status. As part of maintaining RIC status, undistributed taxable income (subject to a 4% excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared prior to the filing of the federal income tax return for the prior year.

The Taxable Subsidiaries hold certain portfolio investments for Main Street. The Taxable Subsidiaries are consolidated with Main Street for financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in Main Street's consolidated financial statements. The principal purpose of the Taxable Subsidiaries is to permit Main Street to hold equity investments in portfolio companies which are "pass through" entities for tax purposes in order to comply with the "source income" requirements contained in the RIC tax provisions of the Code. The Taxable Subsidiaries are not consolidated with Main Street for income tax purposes and may generate income tax expense or income tax benefit as a result of their ownership of various portfolio investments. This income tax expense or benefit, if any, is reflected in Main Street's Consolidated Statement of Operations.

The Taxable Subsidiaries use the liability method in accounting for income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, using statutory tax rates in effect for the year in which the temporary differences are expected to reverse. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses. Taxable income generally excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized.

PORTFOLIO INVESTMENT COMPOSITION

LMM portfolio investments principally consist of secured debt, equity warrants and direct equity investments in privately held, LMM companies. The LMM debt investments are primarily secured by either a first or second lien on the assets of the portfolio company, generally bear interest at fixed rates, and generally mature between five and seven years from the original investment date. In most LMM portfolio companies, we also receive nominally priced equity warrants and/or make direct equity investments, usually in connection with a debt investment.

Middle Market portfolio investments primarily consist of direct or secondary purchases of interest-bearing debt securities in companies that are generally larger in size than the LMM companies included in our LMM portfolio. Our Middle Market portfolio debt investments are generally secured by either a first or second priority lien.

The following table summarizes the composition of our LMM investment portfolio, Middle Market investment portfolio, and total combined LMM and Middle Market investment portfolio at cost and fair value by type of investment as a percentage of the total LMM investment portfolio, the total Middle Market investment portfolio, and the total combined LMM and Middle Market investment

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portfolio as of September 30, 2012 and December 31, 2011 (this information excludes the Other Portfolio investments and the Investment Manager):

	September 30, 2012			December 31, 2011		
Cost:	**LMM**	**Middle Market**	**Total**	**LMM**	**Middle Market**	**Total**
First lien debt	73.9%	88.2%	80.8%	69.5%	81.8%	74.4%
Equity	18.3%	0.2%	9.5%	20.5%	0.2%	12.5%
Second lien debt	3.7%	10.1%	6.9%	5.0%	18.0%	10.1%
Equity warrants	4.1%	0.0%	2.1%	5.0%	0.0%	3.0%
Other	0.0%	1.5%	0.7%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	September 30, 2012			December 31, 2011		
Fair Value:	**LMM**	**Middle Market**	**Total**	**LMM**	**Middle Market**	**Total**
First lien debt	58.1%	88.1%	71.0%	57.7%	81.7%	66.2%
Equity	32.8%	0.2%	18.8%	29.0%	0.3%	18.8%
Second lien debt	3.0%	10.2%	6.1%	4.4%	18.0%	9.2%
Equity warrants	6.1%	0.0%	3.5%	8.9%	0.0%	5.8%
Other	0.0%	1.5%	0.6%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The following table shows the LMM investment portfolio, Middle Market investment portfolio, and total combined LMM and Middle Market investment portfolio composition by geographic region of the United States at cost and fair value as a percentage of total LMM investment portfolio, total Middle Market investment portfolio, and total combined LMM and Middle Market investment portfolio as of September 30, 2012 and December 31, 2011 (this information excludes the Other Portfolio investments and the Investment Manager). The geographic composition is determined by the location of the corporate headquarters of the portfolio company:

	September 30, 2012			December 31, 2011		
Cost:	**LMM**	**Middle Market**	**Total**	**LMM**	**Middle Market**	**Total**
Southwest	39.0%	17.5%	28.5%	47.8%	16.4%	35.4%
West	32.5%	13.2%	23.1%	31.9%	13.7%	24.7%
Midwest	15.1%	28.0%	21.4%	9.0%	21.6%	14.0%
Northeast	5.7%	26.7%	15.9%	3.9%	32.6%	15.2%
Southeast	7.7%	10.3%	9.0%	7.4%	15.7%	10.7%
Other	0.0%	4.3%	2.1%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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	September 30, 2012			December 31, 2011		
Fair Value:	**LMM**	**Middle Market**	**Total**	**LMM**	**Middle Market**	**Total**
Southwest	44.1%	17.5%	32.7%	52.1%	16.2%	39.3%
West	29.9%	13.2%	22.7%	28.9%	13.8%	23.6%
Midwest	14.5%	28.2%	20.4%	8.7%	21.9%	13.4%
Northeast	5.2%	26.6%	14.3%	3.9%	32.4%	14.0%
Southeast	6.3%	10.2%	8.0%	6.4%	15.7%	9.7%
Other	0.0%	4.3%	1.9%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Our LMM and Middle Market portfolio investments are in companies conducting business in a variety of industries. The following tables show the composition of our LMM portfolio investments, Middle Market portfolio investments, and total combined LMM and Middle Market portfolio

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investments by industry at cost and fair value as of September 30, 2012 and December 31, 2011 (this information excludes the Other Portfolio investments and the Investment Manager):

	September 30, 2012			December 31, 2011		
Cost:	**LMM**	**Middle Market**	**Total**	**LMM**	**Middle Market**	**Total**
Software	7.0%	11.9%	9.4%	2.8%	8.4%	5.0%
Media	8.1%	6.1%	7.2%	8.7%	6.6%	7.9%
Machinery	8.8%	4.7%	6.8%	9.9%	2.1%	6.9%
Specialty Retail	8.5%	4.3%	6.4%	5.3%	5.6%	5.4%
Energy Equipment & Services	10.1%	1.7%	6.1%	9.2%	7.5%	8.5%
Commercial Services & Supplies	11.4%	0.0%	5.9%	15.4%	0.9%	9.7%
Health Care Providers & Services	4.3%	6.1%	5.2%	6.5%	9.1%	7.5%
Food Products	0.0%	8.6%	4.2%	0.0%	3.9%	1.6%
Hotels, Restaurants & Leisure	4.5%	2.6%	3.6%	2.1%	7.2%	4.1%
Chemicals	0.0%	6.7%	3.3%	0.0%	3.8%	1.5%
Construction & Engineering	5.1%	2.7%	3.2%	5.3%	0.0%	5.0%
Electronic Equipment, Instruments & Components	3.8%	1.9%	2.9%	4.6%	0.0%	2.8%
Diversified Consumer Services	5.1%	0.0%	2.6%	2.7%	0.0%	1.6%
Containers & Packaging	0.0%	5.2%	2.5%	0.0%	1.3%	0.5%
Oil, Gas & Consumable Fuels	0.0%	5.2%	2.5%	0.0%	0.0%	0.0%
Building Products	2.6%	1.9%	2.3%	2.6%	0.0%	1.6%
IT Services	0.0%	4.0%	1.9%	0.0%	4.1%	1.6%
Construction Materials	1.2%	1.2%	1.9%	1.1%	4.4%	0.7%
Health Care Equipment & Supplies	1.9%	1.4%	1.6%	2.2%	1.2%	1.8%
Insurance	3.1%	0.0%	1.6%	3.1%	2.6%	2.9%
Food & Staples Retailing	0.0%	3.1%	1.5%	0.0%	6.2%	2.5%
Metals & Mining	0.0%	3.1%	1.5%	0.0%	0.0%	0.0%
Consumer Finance	2.7%	0.0%	1.4%	3.0%	0.9%	2.1%
Internet Software & Services	0.4%	2.2%	1.2%	3.0%	0.0%	1.8%
Professional Services	2.1%	0.0%	1.1%	3.5%	0.0%	2.1%
Paper & Forest Products	2.2%	0.0%	1.1%	2.2%	0.0%	1.3%
Transportation Infrastructure	1.9%	0.0%	1.0%	2.0%	0.0%	1.2%
Pharmaceuticals	0.0%	1.8%	0.8%	0.0%	2.6%	1.0%
Internet & Catalog Retail	0.0%	1.5%	0.7%	0.0%	2.2%	0.9%
Biotechnology	0.0%	1.3%	0.6%	0.0%	2.2%	0.8%
Auto Components	0.0%	1.1%	0.5%	0.0%	2.9%	1.2%
Real Estate Management & Development	0.0%	0.7%	0.4%	0.0%	2.5%	1.0%
Electric Utilities	0.0%	0.6%	0.3%	0.0%	2.0%	0.8%
Thrifts & Mortgage Finance	0.0%	0.5%	0.2%	0.0%	2.0%	0.8%
Other(1)	5.2%	7.9%	6.6%	4.8%	7.8%	5.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(1) **Includes various industries with each industry individually less than 2.0% of the total LMM portfolio, total Middle Market portfolio and combined total LMM and Middle Market portfolio in each period.**

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	September 30, 2012			December 31, 2011		
Fair Value:	LMM	Middle Market	Total	LMM	Middle Market	Total
Software	6.3%	12.0%	8.8%	2.8%	8.4%	4.8%
Machinery	11.8%	4.7%	8.7%	10.7%	2.2%	7.7%
Energy Equipment & Services	13.1%	1.7%	8.2%	11.2%	7.5%	9.8%
Health Care Providers & Services	6.7%	6.1%	6.4%	7.4%	9.0%	7.9%
Media	6.5%	6.1%	6.3%	7.4%	6.5%	7.1%
Commercial Services & Supplies	9.7%	0.0%	5.5%	13.5%	0.9%	9.0%
Specialty Retail	5.7%	4.1%	5.0%	3.8%	5.2%	4.3%
Construction & Engineering	5.7%	2.6%	3.8%	6.0%	0.0%	5.5%
Food Products	0.0%	8.7%	3.7%	0.0%	4.0%	1.4%
Hotels, Restaurants & Leisure	4.1%	2.6%	3.5%	2.5%	7.2%	4.2%
Diversified Consumer Services	6.0%	0.0%	3.4%	3.7%	0.0%	2.4%
Chemicals	0.0%	6.7%	2.9%	0.0%	3.8%	1.3%
Electronic Equipment, Instruments & Components	3.0%	2.1%	2.6%	3.7%	0.0%	2.4%
Containers & Packaging	0.0%	5.2%	2.2%	0.0%	1.3%	0.5%
Oil, Gas & Consumable Fuels	0.0%	5.2%	2.2%	0.0%	0.0%	0.0%
IT Services	0.0%	4.0%	1.7%	0.0%	3.8%	1.4%
Construction Materials	0.8%	1.2%	1.7%	0.8%	4.5%	0.5%
Internet Software & Services	1.1%	2.2%	1.6%	5.8%	0.0%	3.7%
Insurance	2.4%	0.0%	1.4%	2.6%	2.6%	2.6%
Trading Companies & Distributors	2.4%	0.0%	1.4%	2.6%	0.0%	1.7%
Food & Staples Retailing	0.0%	3.1%	1.3%	0.0%	6.3%	2.2%
Metals & Mining	0.0%	3.1%	1.3%	0.0%	0.0%	0.0%
Consumer Finance	2.1%	0.0%	1.2%	2.5%	0.9%	1.9%
Paper & Forest Products	2.0%	0.0%	1.1%	2.2%	0.0%	1.4%
Transportation Infrastructure	1.8%	0.0%	1.1%	2.0%	0.0%	1.3%
Professional Services	1.7%	0.0%	1.0%	2.2%	0.0%	1.4%
Pharmaceuticals	0.0%	1.8%	0.9%	0.0%	2.8%	1.0%
Internet & Catalog Retail	0.0%	1.5%	0.7%	0.0%	2.2%	0.8%
Biotechnology	0.0%	1.3%	0.6%	0.0%	2.1%	0.7%
Auto Components	0.0%	1.0%	0.4%	0.0%	3.0%	1.1%
Real Estate Management & Development	0.0%	0.7%	0.3%	0.0%	2.6%	0.9%
Electric Utilities	0.0%	0.6%	0.3%	0.0%	2.0%	0.7%
Thrifts & Mortgage Finance	0.0%	0.5%	0.2%	0.0%	2.1%	0.7%
Other(1)	7.1%	11.2%	8.6%	6.6%	9.1%	7.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(1) **Includes various industries with each industry individually less than 2.0% of the total LMM portfolio, total Middle Market portfolio and combined total LMM and Middle Market portfolio in each period.**

Our LMM, Middle Market and Other Portfolio investments carry a number of risks including, but not limited to: (1) investing in LMM, Middle Market and Other Portfolio companies which may have limited operating histories and financial resources; (2) holding investments that generally are not publicly traded and which may be subject to legal and other restrictions on resale; and (3) other risks common to investing in below investment grade debt and equity investments in LMM, Middle Market and Other Portfolio companies.

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PORTFOLIO ASSET QUALITY

We utilize an internally developed investment rating system to rate the performance of each LMM portfolio company. Investment Rating 1 represents a LMM portfolio company that is performing in a manner which significantly exceeds expectations. Investment Rating 2 represents a LMM portfolio company that, in general, is performing above expectations. Investment Rating 3 represents a LMM portfolio company that is generally performing in accordance with expectations. Investment Rating 4 represents a LMM portfolio company that is underperforming expectations. Investments with such a rating require increased monitoring and scrutiny by us. Investment Rating 5 represents a LMM portfolio company that is significantly underperforming. Investments with such a rating require heightened levels of monitoring and scrutiny by us and involve the recognition of significant unrealized depreciation on such investment. All new LMM portfolio investments receive an initial 3 rating.

The following table shows the distribution of our LMM portfolio investments on the 1 to 5 investment rating scale at fair value as of September 30, 2012 and December 31, 2011:

	September 30, 2012		December 31, 2011	
Investment Rating	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
	(dollars in thousands)			
1	$ 179,037	38.3%	$ 125,505	30.2%
2	109,039	23.3%	119,234	28.7%
3	151,742	32.5%	152,910	36.7%
4	27,782	5.9%	17,765	4.3%
5		0.0%	250	0.1%
Totals	$ 467,600	100.0%	$ 415,664	100.0%

Based upon our investment rating system, the weighted average rating of our LMM portfolio was approximately 2.1 as of September 30, 2012 and 2.2 as of December 31, 2011.

For the total investment portfolio, as of September 30, 2012, we had no investments with positive fair value on non-accrual status and one fully impaired investment which comprised approximately 0.2% of the total portfolio investments at cost, excluding the investment in the affiliated Investment Manager. As of December 31, 2011, we had one investment with positive fair value on non-accrual status, which comprised less than 0.1% of the total portfolio investments at fair value and, together with another fully impaired investment, comprised approximately 0.9% of the total portfolio investments at cost, in each case excluding the investment in the affiliated Investment Manager.

The broader fundamentals of the United States economy remain mixed, and unemployment remains elevated. In the event that the United States economy contracts, it is likely that the financial results of small- to mid-sized companies, like those in which we invest, could experience deterioration or limited growth from current levels, which could ultimately lead to difficulty in meeting their debt service requirements and an increase in defaults. Consequently, we can provide no assurance that the performance of certain portfolio companies will not be negatively impacted by economic cycles or other conditions, which could also have a negative impact on our future results.

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DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Comparison of the three months ended September 30, 2012 and September 30, 2011

	Three Months Ended September 30,		Net Change	
	2012	2011	Amount	%
	(dollars in millions)			
Total investment income	$ 23.0	$ 17.1	$ 5.9	34%
Total expenses	(7.5)	(6.7)	(0.8)	11%
Net investment income	15.5	10.4	5.1	50%
Net realized gain (loss) from investments	0.5	1.4	(0.9)	NM
Net realized income	16.0	11.8	4.2	36%
Net change in unrealized appreciation	20.2	2.8	17.4	626%
Income tax provision	(4.2)	(0.1)	(4.1)	NM
Net increase in net assets resulting from operations attributable to common stock	$ 32.0	$ 14.5	$ 17.5	121%

	Three Months Ended September 30,		Net Change	
	2012	2011	Amount	%
	(dollars in millions)			
Net investment income	$ 15.5	$ 10.4	$ 5.1	50%
Share-based compensation expense	0.7	0.6	0.1	21%
Distributable net investment income(a)	16.2	11.0	5.2	48%
Net realized gain (loss) from investments	0.5	1.4	(0.9)	NM
Distributable net realized income(a)	$ 16.7	$ 12.4	$ 4.3	35%
Distributable net investment income per share Basic and diluted(a)(b)	$ 0.51	$ 0.46	$ 0.05	11%
Distributable net realized income per share Basic and diluted(a)(b)	$ 0.53	$ 0.52	$ 0.01	2%

(a) 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. We believe 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.

(b)

For the three months ended September 30, 2012, per share amounts reflect MSCC ownership of 100% of the equity interests in MSC II in connection with the completion of the Final MSC II Exchange during the first quarter of 2012. For the three months ended September 30, 2011, per share amounts exclude the earnings attributable to the remaining noncontrolling equity interests in MSC II not owned by Main Street.

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Investment Income

For the three months ended September 30, 2012, total investment income was $ 23.0 million, a 34% increase over the $17.1 million for the corresponding period of 2011. This comparable period increase was principally attributable to (i) a $5.0 million increase in interest income from higher average levels of portfolio debt investments and (ii) a $0.7 million increase in dividend income from portfolio equity investments. The increase in investment income included a $0.8 million increase in investment income associated with higher levels of accelerated prepayment activity for certain portfolio debt investments and marketable securities investments in comparison to the third quarter of 2011.

Expenses

For the three months ended September 30, 2012, total expenses increased by approximately $0.8 million to $7.5 million from $6.7 million in the corresponding period of 2011. This comparable period increase in expenses was principally attributable to (i) higher interest expense of $0.2 million as a result of increased costs associated with the expansion of the Credit Facility subsequent to September 30, 2011 and (ii) higher compensation and other operating expenses of $0.4 million related to the increases in investment income and the investment portfolio compared to the corresponding period of 2011. The ratio of total operating expenses, excluding interest expense, as a percentage of average total assets for the three months ended September 30, 2012 was 1.6% on an annualized basis, compared to 1.9% on an annualized basis for the corresponding period of 2011.

Distributable Net Investment Income

Distributable net investment income for the three months ended September 30, 2012 increased 48% to $16.2 million, or $0.51 per share, compared with $11.0 million, or $0.46 per share, in the corresponding period of 2011. The increase in distributable net investment income was primarily due to the higher level of total investment income partially offset by higher interest and other operating expenses, due to the changes discussed above. Distributable net investment income on a per share basis for the third quarter of 2012 reflects (i) an increase of approximately $0.02 per share from the comparable period in 2011 in investment income attributable to higher levels of accelerated prepayment activity for certain portfolio debt investments and marketable securities investments and (ii) a greater number of average shares outstanding compared to the corresponding period in 2011 primarily due to the October 2011 and June 2012 follow-on stock offerings.

Net Investment Income

Net investment income for the three months ended September 30, 2012 was $15.5 million, or a 50% increase, compared to net investment income of $10.4 million during the corresponding period of 2011. The increase in net investment income was principally attributable to the increase in total investment income partially offset by the higher interest and other operating expenses discussed above.

Distributable Net Realized Income

Distributable net realized income for the three months ended September 30, 2012 increased 35% to $16.7 million, or $0.53 per share, compared with distributable net realized income of $12.4 million, or $0.52 per share, in the corresponding period of 2011. This increase was primarily attributable to the higher level of total distributable net investment income in the third quarter of 2012 compared to the corresponding period of 2011, offset by a $0.9 million decrease in net realized gains during the third quarter of 2012 compared to the corresponding period of 2011.

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Net Realized Income

The $5.1 million increase in net investment income for the three months ended September 30, 2012 as discussed above, offset by the $0.9 million decrease in net realized gains from investments during the same period, resulted in a $4.2 million increase in net realized income compared with the corresponding period of 2011.

Net Increase in Net Assets Resulting from Operations Attributable to Common Stock

The net increase in net assets resulting from operations attributable to common stock was $32.0 million, or $1.01 per share, in the third quarter of 2012, representing an increase of 121% compared with $14.5 million, or $0.62 per share, in the corresponding period of 2011. This $17.5 million increase was the result of the increase in distributable net realized income discussed above, plus differences in the net change in unrealized appreciation and the income tax provision. The $20.2 million net change in unrealized appreciation during the third quarter of 2012 was principally attributable to (i) unrealized appreciation on 19 LMM portfolio investments totaling $21.1 million, partially offset by unrealized depreciation on 6 LMM portfolio investments totaling $1.5 million, (ii) $3.9 million of net unrealized appreciation on the Middle Market investment portfolio and (iii) accounting reversals of net unrealized appreciation of $1.6 million related to exits and repayments of portfolio debt and equity investments and Marketable securities and idle funds investments during the third quarter of 2012 and (iv) $1.9 million of net unrealized depreciation attributable to SBIC debentures held by MSC II. For the third quarter of 2012, we also recognized a net income tax provision of $4.2 million primarily related to deferred taxes on net unrealized appreciation of equity investments held in our taxable subsidiaries.

Comparison of the nine months ended September 30, 2012 and September 30, 2011

	Nine Months Ended September 30,		Net Change	
	2012	**2011**	**Amount**	**%**
	(dollars in millions)			
Total investment income	$ 64.4	$ 46.6	$ 17.8	38%
Total expenses	(23.2)	(19.2)	(4.0)	20%
Net investment income	41.2	27.4	13.8	51%
Net realized gain from investments	5.3	1.7	3.6	NM
Net realized income	46.5	29.1	17.4	60%
Net change in unrealized appreciation from investments	40.5	16.8	23.7	141%
Income tax provision	(7.0)	(3.3)	(3.7)	113%
Noncontrolling interest	(0.1)	(0.2)	0.1	-66%
Net increase in net assets resulting from operations attributable to common stock	$ 79.9	$ 42.4	$ 37.5	89%

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	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011	Net Change Amount	Net Change %
	(dollars in millions)			
Net investment income	$ 41.2	$ 27.4	$ 13.8	51%
Share-based compensation expense	1.9	1.5	0.4	27%
Distributable net investment income(a)	43.1	28.9	14.2	49%
Net realized gain from investments	5.3	1.7	3.6	NM
Distributable net realized income(a)	$ 48.4	$ 30.6	$ 17.8	58%
Distributable net investment income per share Basic and diluted(a)(b)	$ 1.50	$ 1.29	$ 0.21	16%
Distributable net realized income per share Basic and diluted(a)(b)	$ 1.69	$ 1.37	$ 0.32	23%

(a) 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.

(b) For the nine months ended September 30, 2012, per share amounts exclude the earnings attributable to the remaining noncontrolling equity interests in MSC II held by third parties prior to the completion of the Final MSC II Exchange during the first quarter of 2012. For the nine months ended September 30, 2011, per share amounts exclude the earnings attributable to the remaining noncontrolling equity interests in MSC II not owned by Main Street.

Investment Income

For the nine months ended September 30, 2012, total investment income was $64.4 million, a 38% increase over the $46.6 million for the corresponding period of 2011. This comparable period increase was principally attributable to (i) a $16.7 million increase in interest income from higher average levels of both portfolio debt investments and interest-bearing marketable securities investments, (ii) a $0.7 million increase in dividend income from portfolio equity investments, and (iii) a $0.4 million increase in fee income due to the increased size of the investment portfolio. The increase in investment income included (i) $1.8 million of non-recurring investment income during the first quarter of 2012 associated with repayment and financing activities for two LMM portfolio investments, and (ii) a $1.5 million increase in investment income associated with higher levels of accelerated prepayment activity for certain Middle Market portfolio debt investments and marketable securities investments.

Expenses

For the nine months ended September 30, 2012, total expenses increased by approximately $4.0 million to $23.2 million from $19.2 million in the corresponding period of 2011. This comparable

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period increase in expenses was principally attributable to (i) higher interest expense of $2.1 million as a result of the issuance of additional SBIC debentures during 2011 totaling $40 million and during the third quarter of 2012 totaling $5 million and increased borrowing activity under the Credit Facility, partially offset by the early repayment of $16 million in SBIC debentures during the third quarter of 2012, (ii) higher share-based compensation expense of $0.4 million related to non-cash amortization for restricted share grants, and (iii) higher compensation and other operating expenses of $1.5 million related to the increase in investment income and the investment portfolio compared to the corresponding period of 2011. The ratio of total operating expenses, excluding interest expense, as a percentage of average total assets for the nine months ended September 30, 2012 was 1.9% on an annualized basis, compared to 2.2% on an annualized basis for the corresponding period of 2011 and 2.2% for the year ended December 31, 2011.

Distributable Net Investment Income

Distributable net investment income for the nine months ended September 30, 2012 increased 49% to $43.1 million, or $1.50 per share, compared with $28.9 million, or $1.29 per share, in the corresponding period of 2011. The increase in distributable net investment income was primarily due to the higher level of total investment income partially offset by higher interest and other operating expenses, due to the changes discussed above. Distributable net investment income on a per share basis for the first nine months of 2012 reflects (i) approximately $0.06 per share of investment income attributable to higher levels of accelerated prepayment activity for certain LMM portfolio investments, (ii) approximately $0.04 per share of investment income attributable to higher levels of accelerated prepayment activity for certain Middle Market portfolio debt investments and marketable securities investments and (iii) a greater number of average shares outstanding compared to the corresponding period in 2011 primarily due to the March 2011, October 2011, and June 2012 follow-on stock offerings.

Net Investment Income

Net investment income for the nine months ended September 30, 2012 was $41.2 million, or a 51% increase, compared to net investment income of $27.4 million during the corresponding period of 2011. The increase in net investment income was principally attributable to the increase in total investment income partially offset by the higher interest and other operating expenses discussed above.

Distributable Net Realized Income

Distributable net realized income increased to $48.4 million, or $1.69 per share, in the first nine months of 2012 compared with distributable net realized income of $30.6 million, or $1.37 per share, in the corresponding period of 2011. This increase was due to (i) the higher level of total distributable net investment income in the first nine months of 2012 and (ii) the $3.6 million increase in total net realized gain from investments during the first nine months of 2012 compared to the corresponding period of 2011. The $5.3 million net realized gain from investments during the first nine months of 2012 was primarily attributable to (i) a $9.2 million realized gain recognized on the partial exit of equity investments in one LMM portfolio company, (ii) a realized gain of $1.7 million recognized on the full exit of equity investments in one LMM portfolio company and (iii) $1.8 million of net realized gains related to Middle Market and marketable securities investments, partially offset by (i) a $3.8 million realized loss on the full exit of debt and equity investments in two LMM portfolio companies, (ii) a $1.8 million realized loss on the full exit of equity investments in one LMM portfolio company and (iii) a $2.0 million realized loss on a debt investment related to the full exit of a LMM portfolio company.

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Net Realized Income

The higher level of net investment income and the increase in net realized gain from investments during the nine months ended September 30, 2012, both as discussed above, resulted in a $17.4 million increase in net realized income compared with the corresponding period of 2011.

Net Increase in Net Assets Resulting from Operations Attributable to Common Stock

The net increase in net assets resulting from operations attributable to common stock during the nine months ended September 30, 2012 was $79.9 million, or $2.79 per share, compared with a net increase in net assets resulting from operations attributable to common stock of $42.4 million, or $1.94 per share, in the corresponding period of 2011. This $37.5 million increase was the result of the increase in distributable net realized income discussed above, plus differences in the net change in unrealized appreciation and the income tax provision. For the nine months ended September 30, 2012, the $40.5 million net change in unrealized appreciation was principally attributable to (i) unrealized appreciation on 28 LMM portfolio investments totaling $44.5 million, partially offset by unrealized depreciation on 9 LMM portfolio investments totaling $3.4 million, (ii) $8.8 million of net unrealized appreciation on the Middle Market investment portfolio, (iii) $0.7 million of net unrealized appreciation on the Other Portfolio investments and Marketable securities and idle funds investments, (iv) accounting reversals of net unrealized appreciation of $5.8 million related to portfolio debt and equity investment exits and repayments, and accounting reversals of net unrealized appreciation of $0.6 million related to Marketable securities and idle funds investments exits and repayments, both recognized during the first nine months of 2012, and (v) $3.4 million of net unrealized depreciation attributable to SBIC debentures held by MSC II. The noncontrolling interest of $0.1 million recognized during the first quarter of 2012 reflects the pro rata portion of the net increase in net assets resulting from operations for MSCII attributable to the equity interests in MSCII that were not owned by MSCC prior to MSCC's completion of the Final MSC II Exchange. For the first nine months of 2012, we also recognized a net income tax provision of $7.0 million related to deferred taxes of $6.0 million on net unrealized appreciation of equity investments held in our taxable subsidiaries and other taxes of $1.0 million primarily related to an accrual for excise tax on our estimated spillover taxable income as of September 30, 2012.

Liquidity and Capital Resources

Cash Flows

For the nine months ended September 30, 2012, we experienced a net decrease in cash and cash equivalents in the amount of $23.1 million. During that period, we generated $28.9 million of cash from our operating activities, primarily from distributable net investment income, partially offset by (i) reimbursements to the Investment Manager to cover operating expenses under a support services agreement between MSCC and the Investment Manager, (ii) accretion of unearned income, (iii) net payment-in-kind interest income and (iv) semi-annual interest payments made on our SBIC debentures. We used $100.0 million in net cash from investing activities, principally including the funding of $397.9 million for portfolio company investments and the funding of $7.6 million for Marketable securities and idle funds investments, partially offset by (i) $272.0 million in cash proceeds from the repayment of portfolio debt investments and from the exit of portfolio equity investments and (ii) $33.5 million of cash proceeds from the sale of Marketable securities and idle funds investments. During the first nine months of 2012, $48.1 million in cash was provided by financing activities, which principally consisted of (i) $93.0 million in net cash proceeds from a public stock offering in June 2012 and (ii) $5 million in proceeds from the issuance of SBIC debentures during the third quarter of 2012, partially offset by (i) $16 million in SBIC debenture repayments during the third quarter of 2012, (ii) $28.9 million in cash dividends paid to stockholders, and (iii) $4.0 million in net repayments under the Credit Facility.

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For the nine months ended September 30, 2011, we experienced a net increase in cash and cash equivalents in the amount of $2.8 million. During that period, we generated $23.0 million of cash from our operating activities, primarily from distributable net investment income partially offset by (i) accretion of unearned income, (ii) net payment-in-kind interest income, (iii) increases in interest receivable and other assets and (iv) semi-annual interest payments made on our SBIC debentures. We used $183.7 million in net cash from investing activities for the nine months ended September 30, 2011, principally including the funding of $266.2 million for portfolio company investments and the funding of $20.0 million for Marketable securities and idle funds investments, partially offset by (i) $97.9 million in cash proceeds from the repayment of portfolio debt investments and from the exit of portfolio equity investments and (ii) $4.7 million of cash proceeds from the sale of Marketable securities and idle funds investments. For the first nine months of 2011, $163.5 million in cash was provided by financing activities, which principally consisted of (i) $70.3 million in net cash proceeds from a public stock offering in March 2011, (ii) $40.0 million in cash proceeds from the issuance of SBIC debentures, and (iii) $75.0 million in net borrowings under the Credit Facility, partially offset by (i) $19.4 million in cash dividends paid to stockholders and (ii) $1.7 million in deferred loan costs paid in connection with the Credit Facility and the issuance of additional SBIC debentures.

Capital Resources

As of September 30, 2012, we had $19.6 million in cash and cash equivalents and $2.0 million in Marketable securities and idle funds investments, and our net asset value totaled $553.2 million, or $17.49 per share. In June 2012, we completed a follow-on public stock offering in which we sold 4,312,500 shares of common stock, including the underwriters' full exercise of the over-allotment option, at a price to the public of $22.50 per share (or approximately 143% of the then latest reported Net Asset Value per share), resulting in total net proceeds of approximately $93.0 million, after deducting underwriters' commissions and offering costs. As of September 30, 2012, we had $184.5 million of unused capacity under the Credit Facility. In May 2012, we expanded the "Credit Facility" from $235.0 million to $277.5 million. The $42.5 million increase in total commitments included commitment increases by three lenders currently participating in the Credit Facility. The amended Credit Facility contained an upsized accordion feature that allows for a further increase in total commitments under the facility up to $350.0 million of total commitments from new and existing lenders on the same terms and conditions as the existing commitments. In July 2012, we further expanded the Credit Facility from $277.5 million to $287.5 million. The expansion of the Credit Facility included the addition of one new lender relationship which further diversifies the Main Street lending group to a total of nine participants. Borrowings under the Credit Facility bear interest, subject to our election, on a per annum basis equal to (i) the applicable LIBOR average rate plus 2.50% or (ii) the applicable base rate plus 1.50%. We pay unused commitment fees of 0.375% per annum on the average unused lender commitments under the Credit Facility. The Credit Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the assets of the Funds. The Credit Facility contains certain affirmative and negative covenants, including but not limited to: (i) maintaining an interest coverage ratio of at least 2.0 to 1.0, (ii) maintaining an asset coverage ratio of at least 2.5 to 1.0, and (iii) maintaining a minimum tangible net worth. Subsequent to September 30, 2012, Main Street amended the Credit Facility to, among other things, extend its maturity and increase the accordion feature. See further discussion of this amendment to the Credit Facility below in Management's Discussion and Analysis Recent Developments. At September 30, 2012, we had $103.0 million in borrowings outstanding under the Credit Facility, bearing interest at an interest rate of 2.7%. As of September 30, 2012, we were in compliance with all financial covenants of the Credit Facility.

Due to each of the Funds' status as a licensed SBIC, we have the ability to issue, through the Funds, debentures guaranteed by the SBA at favorable interest rates. Under the regulations applicable to SBIC funds, an SBIC can have outstanding debentures guaranteed by the SBA generally in an amount up to twice its regulatory capital, which effectively approximates the amount of its equity

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capital. Debentures guaranteed by the SBA have fixed interest rates that equal prevailing 10-year Treasury Note rates plus a market spread and have a maturity of ten years with interest payable semi-annually. The principal amount of the debentures is not required to be paid before maturity but may be pre-paid at any time with no prepayment penalty. On September 30, 2012, we, through the Funds, had $209 million of outstanding indebtedness guaranteed by the SBA, which carried a weighted average annual fixed interest rate of approximately 5.0%. The first maturity related to the SBIC debentures does not occur until 2014, and the remaining weighted average duration is approximately 6.3 years as of September 30, 2012. During the third quarter ended September 30, 2012, we voluntarily prepaid $16 million of SBIC debentures and issued $5 million of new SBIC debentures. We also maintain a commitment from the U.S. Small Business Administration that will allow us to borrow up to $16 million of new SBIC debentures to reach the $225 million SBIC leverage cap for affiliated investment funds.

We anticipate that we will continue to fund our investment activities through existing cash and cash equivalents, the liquidation of Marketable securities and idle funds investments, and a combination of future debt and equity capital. Our primary uses of funds will be investments in portfolio companies, operating expenses and cash distributions to holders of our common stock.

We periodically invest excess cash balances into Marketable securities and idle funds investments. The primary investment objective of Marketable securities and idle funds investments is to generate incremental cash returns on excess cash balances prior to utilizing those funds for investment in our LMM and Middle Market portfolio investment strategy. Marketable securities and idle funds investments generally consist of debt investments, independently rated debt investments, certificates of deposit with financial institutions, and diversified bond funds. The composition of Marketable securities and idle funds investments will vary in a given period based upon, among other things, changes in market conditions, the underlying fundamentals in our Marketable securities and idle funds investments, our outlook regarding future LMM and Middle Market portfolio investment needs, and any regulatory requirements applicable to Main Street.

If our common stock trades below our net asset value per share, we will generally not be able to issue additional common stock at the market price unless our stockholders approve such a sale and our Board of Directors makes certain determinations. A proposal, approved by our stockholders at our June 2012 annual meeting of stockholders, authorizes us to sell shares of our common stock below the then current net asset value per share of our common stock in one or more offerings for the period ending on the earlier of (i) June 14, 2013, the one year anniversary of our 2012 annual meeting of stockholders, or (ii) the date of our 2013 annual meeting of stockholders. We would need similar future approval from our stockholders to issue shares below the then current net asset value per share any time after the expiration of the current approval.

In order to satisfy the Code requirements applicable to a RIC, we intend to distribute to our stockholders substantially all of our taxable income, but we may also elect to periodically spillover certain excess undistributed taxable income from one tax year into the next tax year. In addition, as a BDC, we generally are required to meet a coverage ratio of total assets to total senior securities, which include borrowings and any preferred stock we may issue in the future, of at least 200%. This requirement limits the amount that we may borrow. In January 2008, we received an exemptive order from the SEC to exclude SBA-guaranteed debt securities issued by MSMF and any other wholly owned subsidiaries of ours which operate as SBICs from the asset coverage requirements of the 1940 Act as applicable to Main Street, which, in turn, enables us to fund more investments with debt capital.

Although we have been able to secure access to additional liquidity, including recent public stock offerings, our expanded $287.5 million Credit Facility and the increase in available leverage through the SBIC program, there is no assurance that debt or equity capital will be available to us in the future on favorable terms, or at all.

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Recently Issued Accounting Standards

In May 2011, the FASB issued Accounting Standards Update ("ASU") 2011-04, Fair Value Measurements (Topic 820), *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* ("ASU 2011-04"). ASU 2011-04 results in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. ASU 2011-04 is effective for interim and annual reporting periods beginning after December 15, 2011. The adoption of ASU 2011-04 did not have a significant impact on Main Street's financial condition and results of operations.

In February 2011, the FASB issued ASU 2011-02, Receivables (Topic 310): *A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring* ("ASU 2011-02"). ASU 2011-02 clarifies which loan modifications constitute troubled debt restructurings. It is intended to assist creditors in determining whether a modification of the terms of a receivable meets the criteria to be considered a troubled debt restructuring, both for purposes of recording an impairment loss and for disclosure of troubled debt restructurings. In evaluating whether a restructuring constitutes a troubled debt restructuring, a creditor must separately conclude that both of the following exist: (a) the restructuring constitutes a concession; and (b) the debtor is experiencing financial difficulties. ASU 2011-02 provides guidance to clarify whether the creditor has granted a concession and whether a debtor is experiencing financial difficulties. The new guidance is effective for interim and annual periods beginning on or after June 15, 2011, and applies retrospectively to restructurings occurring on or after the beginning of the fiscal year of adoption. The adoption of ASU 2011-02 did not have a significant impact on Main Street's financial condition and results of operations.

Inflation

Inflation has not had a significant effect on our results of operations in any of the reporting periods presented herein. However, our portfolio companies have experienced, and may in the future experience, the impacts of inflation on their operating results, including periodic escalations in their costs for raw materials and required energy consumption.

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. At September 30, 2012, we had a total of $44.3 million in outstanding commitments comprised of (i) five commitments to fund revolving loans that had not been fully drawn and (ii) two capital commitments that had not been fully called.

Contractual Obligations

As of September 30, 2012, the future fixed commitments for cash payments in connection with our SBIC debentures for each of the next five years and thereafter are as follows:

	Total	2013	2014	2015	2016	2017	2018 and thereafter
			(dollars in thousands)				
SBIC debentures	$ 209,000	$	$ 6,000	$ 23,100	$ 5,000	$ 34,800	$ 140,100
Interest due on SBIC debentures	61,901	10,381	10,388	9,607	8,735	7,848	14,942
Total	$ 270,901	$ 10,381	$ 16,388	$ 32,707	$ 13,735	$ 42,648	$ 155,042

As of September 30, 2012, we had $103.0 million in borrowings outstanding under our Credit Facility. The Credit Facility was scheduled to mature in September 2014. The Credit Facility contained

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two, one year extension options which could extend the maturity to September 2016. Subsequent to September 30, 2012, Main Street amended the Credit Facility to, among other things, extend its maturity and increase the accordion feature. See further discussion of this amendment below in Management's Discussion and Analysis Recent Developments.

Pursuant to the support services agreement with MSCC, the Investment Manager is reimbursed each quarter by MSCC for its cash operating expenses, less fees that the Investment Manager receives from MSC II and third parties, associated with providing investment management and other services to MSCC, certain of its subsidiaries and third parties. For the three months ended September 30, 2012 and 2011, the expenses reimbursed by MSCC to the Investment Manager and management fees paid by MSC II were $2.2 million and $2.0 million, respectively. For the nine months ended September 30, 2012 and 2011, the expenses reimbursed by MSCC to the Investment Manager and management fees paid by MSC II were $7.6 million and $6.3 million, respectively.

Related Party Transactions

As discussed further in Note D to the accompanying consolidated financial statements, subsequent to the completion of the Formation Transactions, the Investment Manager is a wholly owned portfolio company of MSCC. At September 30, 2012, the Investment Manager had a receivable of $3.3 million due from MSCC related to operating expenses incurred by the Investment Manager required to support Main Street's business.

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UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated December 11, 2012, the underwriters named below, for whom Raymond James & Associates, Inc. is acting as representative, have severally agreed to purchase, and we have agreed to sell to them, the number of shares of common stock indicated below:

Underwriter	Number of Shares
Raymond James & Associates, Inc.	1,000,000
Robert W. Baird & Co. Incorporated	462,500
BB&T Capital Markets, a division of Scott & Stringfellow, LLC	312,500
Sanders Morris Harris Inc.	262,500
RBC Capital Markets, LLC	150,000
Janney Montgomery Scott LLC	125,000
Ladenburg Thalmann & Co. Inc.	125,000
Wunderlich Securities, Inc.	62,500
Total	2,500,000

The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the shares of common stock offered hereby are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are severally obligated to take and pay for all shares of common stock offered hereby (other than those covered by the underwriters' over-allotment option described below) if any such shares are taken. We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

Our common stock is listed on the New York Stock Exchange under the symbol "MAIN."

Over-Allotment Option

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to an aggregate of 375,000 additional shares of common stock at the public offering price set forth on the cover page hereof, less the underwriting discount. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered hereby. To the extent such option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of such additional shares of common stock as the number set forth next to such underwriter's name in the preceding table bears to the total number of shares set forth next to the names of all underwriters in the preceding table.

Lock-Up Agreements

We, and certain of our executive officers and directors, have agreed, subject to certain exceptions, not to issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, transfer, grant any option to purchase, establish an open put equivalent position or otherwise dispose of or agree to dispose of directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any right to acquire shares of our common stock, for 30 days from the date of this prospectus supplement, subject to extension upon material announcements or earnings releases. The representative, at any time and without notice, may release all or any portion of the common stock subject to the foregoing lock-up agreements.

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Underwriting Discounts

The underwriters initially propose to offer the shares directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at a price that represents a concession not in excess of $0.67 per share below the public offering price. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters.

The following table provides information regarding the per share and total underwriting discount that we are to pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to 375,000 additional shares from us.

	Per Share	Total without Exercise of Over-allotment	Total with Full Exercise of Over-allotment
Underwriting discount payable by us on shares sold to the public	$ 1.12	$ 2,800,000	$ 3,220,000

We will pay all expenses incident to the offering and sale of shares of our common stock by us in this offering. We estimate that the total expenses of the offering, excluding the underwriting discount will be approximately $200,000.

A prospectus supplement in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering. The representative may agree to allocate a number of shares to underwriters and selling group members for the sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make Internet distributions on the same basis as other allocations. The representative may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders.

Price Stabilization, Short Positions and Penalty Bids

In connection with this offering, the underwriters may purchase and sell shares of our common stock in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. An over-allotment involves syndicate sales of shares in excess of the number of shares to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of shares in the open market after the distribution has been completed in order to cover syndicate short positions.

Stabilizing transactions consist of some bids or purchases of shares of our common stock made for the purpose of preventing or slowing a decline in the market price of the shares while the offering is in progress.

In addition, the underwriters may impose penalty bids, under which they may reclaim the selling concession from a syndicate member when the shares of our common stock originally sold by that syndicate member are purchased in a stabilizing transaction or syndicate covering transaction to cover syndicate short positions.

Similar to other purchase transactions, these activities may have the effect of raising or maintaining the market price of the common stock or preventing or slowing a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. Except for the sale of shares of our common stock in this offering, the underwriters may carry out these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise.

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Neither the underwriters nor we make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the shares. In addition, neither the underwriters nor we make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Conflicts of Interest

Affiliates of Raymond James & Associates, Inc., BB&T Capital Markets and RBC Capital Markets, LLC, underwriters in this offering, act as lenders and/or agents under our $287.5 million Credit Facility. Certain of the net proceeds from the sale of our common stock, not including underwriting compensation, may be paid to such affiliates of Raymond James & Associates, Inc., BB&T Capital Markets and RBC Capital Markets, LLC in connection with the repayment of debt owed under our $287.5 million Credit Facility. As a result, Raymond James & Associates, Inc., BB&T Capital Markets, RBC Capital Markets, LLC and/or their affiliates may receive more than 5% of the net proceeds of this offering, not including underwriting compensation.

The underwriters and/or their affiliates from time to time provide and may in the future provide investment banking, commercial banking and financial advisory services to us, for which they have received and may receive customary compensation.

In addition, the underwriters and/or their affiliates may from time to time refer investment banking clients to us as potential portfolio investments. If we invest in those clients, we may utilize net proceeds from this offering to fund such investments, and the referring underwriter or its affiliate may receive placement fees from its client in connection with such financing, which placement fees may be paid out of the amount funded by us.

The addresses of the underwriters are: Raymond James & Associates, Inc., 880 Carillon Parkway, St. Petersburg, Florida 33716; Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202; BB&T Capital Markets, 901 East Byrd Street, Suite 410, Richmond, Virginia 23219; Sanders Morris Harris Inc., 600 Travis, Suite 5800, Houston, Texas 77002; RBC Capital Markets, LLC, 3 World Financial Center, 200 Vesey Street, 8th Floor, New York, New York 10281; Janney Montgomery Scott LLC, 1717 Arch Street, Philadelphia, Pennsylvania 19103; Ladenburg Thalmann & Co. Inc., 520 Madison Avenue, 9th Floor, New York, New York 10022; and Wunderlich Securities, Inc., 6000 Poplar Ave., Suite 150, Memphis, Tennessee 38119.

LEGAL MATTERS

Certain legal matters regarding the shares of common stock offered hereby will be passed upon for us by Sutherland Asbill & Brennan LLP, Washington D.C., and certain legal matters in connection with this offering will be passed upon for the underwriters by Bass, Berry & Sims PLC, Memphis, Tennessee.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements, Schedule 12-14 and the schedule of Senior Securities of Main Street Capital Corporation, included in the accompanying prospectus have been so included in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in giving said reports. Grant Thornton LLP's principal business address is 333 Clay Street, 2700 Three Allen Center, Houston, Texas 77002.

AVAILABLE INFORMATION

We have filed with the SEC a universal shelf registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to our shares of common stock

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offered by this prospectus supplement. The registration statement contains additional information about us and our shares of common stock being offered by this prospectus supplement.

We file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act of 1934. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement and related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available on the SEC's website at *www.sec.gov*. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: *publicinfo@sec.gov*, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549.

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INTERIM FINANCIAL STATEMENTS

MAIN STREET CAPITAL CORPORATION

Consolidated Balance Sheets

(in thousands, except shares and per share amounts)

	September 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
Portfolio investments at fair value:		
Control investments (cost: $184,526 and $206,787 as of September 30, 2012 and December 31, 2011, respectively)	$ 239,917	$ 238,924
Affiliate investments (cost: $111,143 and $110,157 as of September 30, 2012 and December 31, 2011, respectively)	154,972	146,405
Non-Control/Non-Affiliate investments (cost: $431,991 and $275,061 as of September 30, 2012 and December 31, 2011, respectively)	439,501	270,895
Investment in affiliated Investment Manager (cost: $2,668 and $4,284 as of September 30, 2012 and December 31, 2011, respectively)	202	1,869
Total portfolio investments (cost: $730,328 and $596,289 as of September 30, 2012 and December 31, 2011, respectively)	834,592	658,093
Marketable securities and idle funds investments (cost: $1,965 and $25,935 as of September 30, 2012 and December 31, 2011, respectively)	2,038	26,242
Total investments (cost: $732,293 and $622,224 as of September 30, 2012 and December 31, 2011, respectively)	836,630	684,335
Cash and cash equivalents	19,584	42,650
Interest receivable and other assets	11,818	6,539
Deferred financing costs (net of accumulated amortization of $2,968 and $2,167 as of September 30, 2012 and December 31, 2011, respectively)	3,766	4,168
Total assets	$ 871,798	$ 737,692
LIABILITIES		
SBIC debentures (par: $209,000 and $220,000 as of September 30, 2012 and December 31, 2011, respectively; par of $100,000 and $95,000 is recorded at a fair value of $85,083 and $76,887 as of September 30, 2012 and December 31, 2011, respectively)	$ 194,083	$ 201,887
Credit facility	103,000	107,000
Interest payable	1,197	3,984
Dividend payable	4,743	2,856
Deferred tax liability, net	9,426	3,776
Payable to affiliated Investment Manager	3,342	4,831
Accounts payable and other liabilities	2,853	2,170
Total liabilities	318,644	326,504
Commitments and contingencies		
NET ASSETS		
Common stock, $0.01 par value per share (150,000,000 shares authorized; 31,619,333 and 26,714,384 shares issued and outstanding as of September 30, 2012 and December 31, 2011, respectively)	316	267
Additional paid-in capital	464,141	360,164
Accumulated net investment income, net of cumulative dividends of $101,853 and $79,414 as of September 30, 2012 and December 31, 2011, respectively	31,289	12,531
Accumulated net realized loss from investments, net of cumulative dividends of $27,852 and $13,804 as of September 30, 2012 and December 31, 2011, respectively	(29,158)	(20,445)
Net unrealized appreciation, net of income taxes	86,566	53,194
Total Net Asset Value	553,154	405,711
Noncontrolling interest		5,477
Total net assets including noncontrolling interests	553,154	411,188

Total liabilities and net assets	$	871,798	$	737,692
NET ASSET VALUE PER SHARE	$	17.49	$	15.19

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Operations

(in thousands, except per share amounts)

(Unaudited)

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
INVESTMENT INCOME:				
Interest, fee and dividend income:				
Control investments	$ 5,991	$ 6,286	$ 17,841	$ 18,577
Affiliate investments	4,838	3,162	14,652	8,468
Non-Control/Non-Affiliate investments	12,015	7,200	30,263	18,716
Total interest, fee and dividend income	22,844	16,648	62,756	45,761
Interest from marketable securities, idle funds and other	110	438	1,599	829
Total investment income	22,954	17,086	64,355	46,590
EXPENSES:				
Interest	(3,923)	(3,716)	(11,967)	(9,882)
General and administrative	(595)	(479)	(1,757)	(1,585)
Expenses reimbursed to affiliated Investment Manager	(2,215)	(1,950)	(7,574)	(6,287)
Share-based compensation	(699)	(580)	(1,860)	(1,466)
Total expenses	(7,432)	(6,725)	(23,158)	(19,220)
NET INVESTMENT INCOME	15,522	10,361	41,197	27,370
NET REALIZED GAIN (LOSS) FROM INVESTMENTS:				
Control investments	122	407	(1,940)	407
Affiliate investments			5,500	
Non-Control/Non-Affiliate investments	128	794	478	775
Marketable securities and idle funds investments	277	247	1,297	515
Total net realized gain from investments	527	1,448	5,335	1,697
NET REALIZED INCOME	16,049	11,809	46,532	29,067
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):				
Portfolio investments	22,096	8,162	44,120	23,653
Marketable securities and idle funds investments	(151)	(1,712)	(235)	(1,025)
SBIC debentures	(1,858)	(3,636)	(3,367)	(5,715)
Investment in affiliated Investment Manager		(48)	(51)	(135)
Total net change in unrealized appreciation	20,087	2,766	40,467	16,778
Income tax provision	(4,169)	(139)	(7,041)	(3,302)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	31,967	14,436	79,958	42,543
Noncontrolling interest			(54)	(158)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO COMMON STOCK	$ 31,967	$ 14,436	$ 79,904	$ 42,385
NET INVESTMENT INCOME PER SHARE BASIC AND DILUTED	$ 0.49	$ 0.44	$ 1.44	$ 1.23
NET REALIZED INCOME PER SHARE BASIC AND DILUTED	$ 0.51	$ 0.50	$ 1.62	$ 1.30

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO COMMON STOCK PER SHARE BASIC AND DILUTED	$	1.01	$	0.62	$	2.79	$	1.94
DIVIDENDS PAID PER SHARE	$	0.44	$	0.39	$	1.26	$	1.16
WEIGHTED AVERAGE SHARES OUTSTANDING BASIC AND DILUTED		31,578,742		23,194,896		28,615,877		21,824,775

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Changes in Net Assets

(in thousands, except shares)

(Unaudited)

	Common Stock								
	Number of Shares	**Par Value**	**Additional Paid-In Capital**	**Accumulated Net Investment Income, Net of Dividends**	**Accumulated Net Realized Loss From Investments, Net of Dividends**	**Net Unrealized Appreciation from Investments, Net of Income Taxes**	**Total Net Asset Value**	**Noncontrolling Interest**	**Total Net Assets Including Noncontrolling Interest**
Balances at December 31, 2010	18,797,444	$ 188	$ 224,485	$ 9,262	$ (20,542)	$ 32,142	$ 245,535	$ 4,448	$ 249,983
Public offering of common stock, net of offering costs	4,025,000	40	70,274				70,314		70,314
Share-based compensation			1,466				1,466		1,466
Purchase of vested stock for employee payroll tax withholding	(32,725)		(674)				(674)		(674)
Dividend reinvestment	303,659	3	5,719				5,722		5,722
Issuance of restricted stock	125,970	1	(1)						
Distributions to noncontrolling interest								(110)	(110)
Dividends to stockholders				(27,406)	(802)		(28,208)		(28,208)
Net increase resulting from operations				27,370	1,697	13,476	42,543		42,543
Noncontrolling interest						(158)	(158)	158	
Balances at September 30, 2011	23,219,348	$ 232	$ 301,269	$ 9,226	$ (19,647)	$ 45,460	$ 336,540	$ 4,496	341,036
Balances at December 31, 2011	26,714,384	$ 267	$ 360,164	$ 12,531	$ (20,445)	$ 53,194	$ 405,711	$ 5,477	$ 411,188
Public offering of common stock, net of offering costs	4,312,500	43	92,950				92,993		92,993
MSC II noncontrolling interest acquisition	229,634	2	5,328				5,330	(5,417)	(87)
Adjustment to investment in Investment Manager related to MSC II noncontrolling interest acquisition			(1,616)				(1,616)		(1,616)
Share-based compensation			1,860				1,860		1,860
Purchase of vested stock for employee payroll tax withholding	(40,549)		(1,012)				(1,012)		(1,012)
Dividend reinvestment	264,331	3	6,468				6,471		6,471
Issuance of restricted stock	139,033	1	(1)						
Distributions to noncontrolling interest								(114)	(114)
Dividends to stockholders				(22,439)	(14,048)		(36,487)		(36,487)
Net increase resulting from operations				41,197	5,335	33,426	79,958		79,958
Noncontrolling interest						(54)	(54)	54	
Balances at September 30, 2012	31,619,333	$ 316	$ 464,141	$ 31,289	$ (29,158)	$ 86,566	$ 553,154	$	$ 553,154

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Cash Flows

(in thousands)

(Unaudited)

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	$ 79,958	$ 42,543
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Net change in unrealized appreciation	(40,467)	(16,778)
Net realized gain from investments	(5,335)	(1,697)
Accretion of unearned income	(9,263)	(4,041)
Net payment-in-kind interest	(2,405)	(1,752)
Cumulative dividends	1,745	(1,246)
Share-based compensation expense	1,860	1,466
Amortization of deferred financing costs	802	480
Deferred taxes	5,650	3,002
Changes in other assets and liabilities:		
Interest receivable and other assets	(1,160)	(1,273)
Interest payable	(2,787)	(2,274)
Payable to affiliated Investment Manager	(1,489)	3,090
Accounts payable and other liabilities	316	269
Deferred fees and other	1,428	1,238
Net cash provided by operating activities	28,853	23,027
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in portfolio companies	(397,912)	(266,247)
Principal payments received on loans and debt securities in portfolio companies	246,138	97,043
Proceeds from sale of equity investments and related notes in portfolio companies	25,869	886
Investments in marketable securities and idle funds investments	(7,596)	(20,021)
Proceeds from marketable securities and idle funds investments	33,502	4,651
Net cash used in investing activities	(99,999)	(183,688)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering of common stock, net of offering costs	92,993	70,314
Distributions to noncontrolling interest	(114)	(110)
Dividends paid to stockholders	(28,879)	(19,350)
Proceeds from issuance of SBIC debentures	5,000	40,000
Repayments of SBIC debentures	(16,000)	
Proceeds from credit facility	170,000	144,000
Repayments on credit facility	(174,000)	(69,000)
Purchase of vested stock for employee payroll tax withholding	(1,012)	(675)
Payment of deferred loan costs and SBIC debenture fees	(571)	(1,726)
Other	663	
Net cash provided by financing activities	48,080	163,453
Net increase (decrease) in cash and cash equivalents	(23,066)	2,792
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	42,650	22,334
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 19,584	$ 25,126

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2012

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Control Investments(5)					
Café Brazil, LLC	Casual Restaurant Group				
		12% Secured Debt (Maturity April 20, 2013)	800	800	800
		Member Units (Fully diluted 41.0%)(8)		42	3,530
				842	4,330
California Healthcare Medical Billing, Inc.	Outsourced Billing and Revenue Cycle Management				
		12% Secured Debt (Maturity October 17, 2015)	8,103	7,900	8,013
		Warrants (Fully diluted 21.3%)		1,193	3,380
		Common Stock (Fully diluted 9.8%)		1,177	1,560
				10,270	12,953
CBT Nuggets, LLC	Produces and Sells IT Training Certification Videos				
		14% Secured Debt (Maturity December 31, 2013)	850	850	850
		Member Units (Fully diluted 41.6%)(8)		1,300	7,210
				2,150	8,060
Ceres Management, LLC (Lambs)	Aftermarket Automotive Services Chain				
		14% Secured Debt (Maturity May 31, 2013)	4,000	3,990	3,990
		Preferred Stock (12% cumulative)		3,000	3,000
		Member Units (Fully diluted 79.0%)		5,273	
		9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity October 1, 2025)	1,078	1,078	1,078
		Member Units (Lamb's Real Estate Investment I, LLC) (Fully diluted 100%)		625	800
				13,966	8,868
Condit Exhibits, LLC	Tradeshow Exhibits / Custom Displays				
		9% Current / 9% PIK Secured Debt (Maturity July 1, 2013)	4,661	4,647	4,647
		Warrants (Fully diluted 47.9%)		320	320
				4,967	4,967
Gulf Manufacturing, LLC	Manufacturer of Specialty Fabricated Industrial Piping Products				

		9% PIK Secured Debt (Ashland Capital IX, LLC) (Maturity June 30, 2017)	919	919	919
		Member Units (Fully diluted 34.2%)(8)		2,980	12,660
				3,899	13,579
Harrison Hydra-Gen, Ltd.	Manufacturer of Hydraulic Generators				
		12% Secured Debt (Maturity June 4, 2015)	5,024	4,612	5,024
		Preferred Stock (8% cumulative)(8)		1,145	1,145
		Common Equity (Fully diluted 34.5%)(8)		718	2,620
				6,475	8,789
Hawthorne Customs and Dispatch Services, LLC	Facilitator of Import Logistics, Brokerage, and Warehousing				
		Member Units (Fully diluted 37.1%)(8)		589	1,610
		Member Units (Wallisville Real Estate, LLC) (Fully diluted 59.1%)(8)		1,215	1,215
				1,804	2,825
Hydratec, Inc.	Designer and Installer of Micro-Irrigation Systems				
		Common Stock (Fully diluted 94.2%)(8)		7,095	13,710

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

September 30, 2012

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Indianapolis Aviation Partners, LLC	Fixed Base Operator				
		12% Secured Debt (Maturity September 15, 2014)	4,275	4,081	4,124
		Warrants (Fully diluted 30.1%)		1,129	1,650
				5,210	5,774
Jensen Jewelers of Idaho, LLC	Retail Jewelry Store				
		Prime Plus 2%, Current Coupon 5.25%, Secured Debt (Maturity November 14, 2013)(9)	1,769	1,769	1,769
		13% Current / 6% PIK Secured Debt (Maturity November 14, 2013)	1,836	1,836	1,836
		Member Units (Fully diluted 60.8%)(8)		811	1,750
				4,416	5,355
Lighting Unlimited, LLC	Commercial and Residential Lighting Products and Design Services				
		8% Secured Debt (Maturity August 22, 2014)	1,946	1,946	1,946
		Preferred Stock (non-voting)		502	502
		Warrants (Fully diluted 7.1%)		54	20
		Common Stock (Fully diluted 70.0%)(8)		100	200
				2,602	2,668
Mid-Columbia Lumber Products, LLC	Manufacturer of Finger-Jointed Lumber Products				
		10% Secured Debt (Maturity December 18, 2014)	1,250	1,250	1,250
		12% Secured Debt (Maturity December 18, 2014)	3,900	3,900	3,900
		9.5% Secured Debt (Mid Columbia Real Estate, LLC) (Maturity May 13, 2025)	1,028	1,028	1,028
		Warrants (Fully diluted 9.2%)		250	890
		Member Units (Fully diluted 42.9%)		812	930
		Member Units (Mid Columbia Real Estate, LLC) (Fully diluted 50.0%)(8)		250	810
				7,490	8,808
NAPCO Precast, LLC	Precast Concrete Manufacturing				
		Prime Plus 2%, Current Coupon 9%, Secured Debt (Maturity February 1, 2013)(9)	3,385	3,382	3,382
		18% Secured Debt (Maturity February 1, 2013)	5,173	5,163	5,163

		Member Units (Fully diluted 44.0%)		2,975	4,195
				11,520	12,740
NRI Clinical Research, LLC	Clinical Research Center				
		14% Secured Debt (Maturity September 8, 2016)	4,736	4,495	4,495
		Warrants (Fully diluted 12.5%)		252	480
		Member Units (Fully diluted 24.8%)(8)		500	960
				5,247	5,935
NRP Jones, LLC	Manufacturer of Hoses, Fittings and Assemblies				
		12% Secured Debt (Maturity December 22, 2016)	12,100	11,158	11,890
		Warrants (Fully diluted 12.2%)		817	1,420
		Member Units (Fully diluted 43.2%)(8)		2,900	5,030
				14,875	18,340
OMi Holdings, Inc.	Manufacturer of Overhead Cranes				
		12% Secured Debt (Maturity April 1, 2013)	5,778	5,771	5,778
		Common Stock (Fully diluted 48.0%)		1,080	8,470
				6,851	14,248
Pegasus Research Group, LLC (Televerde)	Telemarketing and Data Services				
		13% Current / 5% PIK Secured Debt (Maturity January 6, 2016)	5,191	5,141	5,191
		Member Units (Fully diluted 43.7%)(8)		1,250	1,880
				6,391	7,071

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

September 30, 2012

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
PPL RVs, Inc.	Recreational Vehicle Dealer				
		11.1% Secured Debt (Maturity June 10, 2015)	8,460	8,399	8,460
		Common Stock (Fully diluted 51.1%)		2,150	5,480
				10,549	13,940
Principle Environmental, LLC	Noise Abatement Services				
		12% Secured Debt (Maturity February 1, 2016)	4,750	3,897	4,750
		12% Current / 2% PIK Secured Debt (Maturity February 1, 2016)	3,576	3,518	3,576
		Warrants (Fully diluted 14.6%)		1,200	3,860
		Member Units (Fully diluted 22.6%)		1,863	6,150
				10,478	18,336
River Aggregates, LLC	Processor of Construction Aggregates				
		12% Secured Debt (Maturity March 30, 2016)	3,700	3,490	3,490
		Warrants (Fully diluted 20.0%)		202	
		Member Units (Fully diluted 40.0%)		550	
				4,242	3,490
The MPI Group, LLC	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories				
		4.5% Current / 4.5% PIK Secured Debt (Maturity October 2, 2013)	1,079	1,077	1,077
		6% Current / 6% PIK Secured Debt (Maturity October 2, 2013)	5,639	5,572	5,572
		Warrants (Fully diluted 52.3%)		896	
		Member Units (Non-voting)		200	
				7,745	6,649
Thermal and Mechanical Equipment, LLC	Commercial and Industrial Engineering Services				
		Prime Plus 2%, Current Coupon 9%, Secured Debt (Maturity September 25, 2014)(9)	1,272	1,267	1,272
		13% Current / 5% PIK Secured Debt (Maturity September 25, 2014)	4,053	4,020	4,053
		Member Units (Fully diluted 50.0%)(8)		1,000	6,120
				6,287	11,445

Uvalco Supply, LLC	Farm and Ranch Supply Store				
		Member Units (Fully diluted 42.8%)(8)		1,113	2,840
Van Gilder Insurance Corporation	Insurance Brokerage				
		8% Secured Debt (Maturity January 31, 2013)	1,000	996	996
		8% Secured Debt (Maturity January 31, 2016)	1,454	1,441	1,441
		13% Secured Debt (Maturity January 31, 2016)	6,150	5,271	5,271
		Warrants (Fully diluted 10.0%)		1,209	1,180
		Common Stock (Fully diluted 15.5%)		2,500	2,430
				11,417	11,318
Vision Interests, Inc.	Manufacturer / Installer of Commercial Signage				
		6.5% Current /6.5% PIK Secured Debt (Maturity December 23, 2016)	3,152	3,092	3,092
		Series A Preferred Stock (Fully diluted 50.9%)		3,000	3,280
		Common Stock (Fully diluted 19.1%)		3,706	100
				9,798	6,472
Ziegler's NYPD, LLC	Casual Restaurant Group				
		Prime Plus 2%, Current Coupon 9%, Secured Debt (Maturity October 1, 2013)(9)	1,000	998	998
		13% Current / 5% PIK Secured Debt (Maturity October 1, 2013)	5,246	5,229	5,229
		Warrants (Fully diluted 46.6%)		600	180
				6,827	6,407
Subtotal Control Investments (28.7% of total investments at fair value)				184,526	239,917

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

September 30, 2012

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Affiliate Investments(6)					
American Sensor Technologies, Inc.	Manufacturer of Commercial / Industrial Sensors				
		Warrants (Fully diluted 19.6%)		50	3,890
Bridge Capital Solutions Corporation	Financial Services and Cash Flow Solutions				
		13% Secured Debt (Maturity April 17, 2017)	5,000	4,744	4,744
		Warrants (Fully diluted 7.5%)		200	200
				4,944	4,944
Compact Power Equipment Centers LLC	Equipment / Tool Rental				
		6% Current / 6% PIK Secured Debt (Maturity December 31, 2014)	3,631	3,611	3,611
		8% PIK Secured Debt (Maturity December 31, 2012)	36	36	36
		Series A Member Units (8% cumulative) (Fully diluted 0.8%)(8)		904	904
		Member Units (Fully diluted 10.6%)		1	1
				4,552	4,552
Daseke, Inc.	Specialty Transportation Provider				
		Common Stock (Fully diluted 12.6%)		1,427	6,620
East Teak Fine Hardwoods, Inc.	Hardwood Products				
		Common Stock (Fully diluted 5.0%)		480	380
Gault Financial, LLC (RMB Capital, LLC)	Purchases and Manages Liquidation of Distressed Assets				
		14% Secured Debt (Maturity November 21, 2016)	10,000	9,489	9,489
		Warrants (Fully diluted 22.5%)		400	400
				9,889	9,889
Houston Plating and Coatings, LLC	Plating and Industrial Coating Services				
		Member Units (Fully diluted 11.1%)(8)		635	7,750
Indianhead Pipeline Services, LLC	Pipeline Support Services				
		12% Secured Debt (Maturity February 6, 2017)	9,950	9,313	9,313
		Preferred Equity (Fully diluted 8.0%)(8)		1,638	1,638
		Warrants (Fully diluted 10.6%)		459	459

		Member Units (Fully diluted 4.1%)		1	1
				11,411	11,411
Integrated Printing Solutions, LLC	Specialty Card Printing				
		13% Secured Debt (Maturity September 23, 2016)	12,500	11,773	11,773
		Preferred Equity (Fully diluted 11.0%)		2,000	2,000
		Warrants (Fully diluted 8.0%)		600	1,340
				14,373	15,113
IRTH Holdings, LLC	Damage Prevention Technology Information Services				
		12% Secured Debt (Maturity December 29, 2015)	3,755	3,706	3,755
		Member Units (Fully diluted 22.3%)		850	4,110
				4,556	7,865
KBK Industries, LLC	Specialty Manufacturer of Oilfield and Industrial Products				
		12.5% Secured Debt (Maturity September 28, 2017)	9,000	8,910	9,000
		Member Units (Fully diluted 17.9%)(8)		341	5,500
				9,251	14,500

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

September 30, 2012

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Laurus Healthcare, LP	Management of Outpatient Cardiac Cath Labs				
		Class A and C Units (Fully diluted 13.1%)(8)		80	12,400
Olympus Building Services, Inc.	Custodial / Facilities Services				
		10% Current / 2% PIK Secured Debt (Maturity March 27, 2014)	3,231	3,140	3,140
		15% PIK Secured Debt (Maturity March 27, 2014)	1,107	1,107	1,107
		Warrants (Fully diluted 22.5%)		470	
				4,717	4,247
OnAsset Intelligence, Inc.	Transportation Monitoring / Tracking Services				
		12% Secured Debt (Maturity October 18, 2012)	1,500	1,425	1,425
		Preferred Stock (7% cumulative) (Fully diluted 5.75%)(8)		1,662	1,662
		Warrants (Fully diluted 4.0%)		830	640
				3,917	3,727
OPI International Ltd.(12)	Oil and Gas Construction Services				
		Common Equity (Fully diluted 11.5%)		1,370	4,970
Radial Drilling Services Inc.	Oil and Gas Technology				
		12% Secured Debt (Maturity November 23, 2016)	4,200	3,454	3,454
		Warrants (Fully diluted 24.0%)		758	758
				4,212	4,212
Samba Holdings, Inc.	Intelligent Driver Record Monitoring Software and Services				
		12.5% Secured Debt (Maturity November 17, 2016)	11,923	11,746	11,923
		Common Stock (Fully diluted 15.5%)		1,375	1,842
				13,121	13,765
Spectrio LLC	Audio Messaging Services				
		8% Secured Debt (Maturity June 16, 2016)	280	280	280
		12% Secured Debt (Maturity June 16, 2016)	14,595	14,169	14,595
		Warrants (Fully diluted 9.8%)		887	3,040

				15,336	17,915
SYNEO, LLC	Manufacturer of Specialty Cutting Tools and Punches				
		12% Secured Debt (Maturity July 13, 2016)	4,500	4,410	4,410
		10% Secured Debt (Leadrock Properties, LLC) (Maturity May 4, 2026)	1,440	1,412	1,412
		Member Units (Fully diluted 11.1%)		1,000	1,000
				6,822	6,822
Subtotal Affiliate Investments (18.5% of total investments at fair value)				111,143	154,972

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

September 30, 2012

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Non-Control/Non-Affiliate Investments(7)					
Affinity Videonet, Inc.	Video Conferencing and Managed Services				
		9% Secured Debt (Maturity December 31, 2015)	700	699	699
		13% Secured Debt (Maturity December 31, 2015)	2,000	1,926	2,000
		13% Current / 1% PIK Secured Debt (Maturity December 31, 2015)	487	487	487
		Warrants (Fully diluted 2.6%)		63	300
				3,175	3,486
Ameritech College Operations, LLC	For-Profit Nursing and Healthcare College				
		18% Secured Debt (Maturity March 9, 2017)	6,050	5,938	5,938
American Gaming Systems, LLC	Developer, Manufacturer, and Operator of Gaming Machines				
		11.5% Secured Debt (Maturity August 23, 2016)	8,846	8,653	8,653
Associated Asphalt Partners, LLC(10)	Liquid Asphalt Supplier				
		LIBOR Plus 5.75%, Current Coupon 7.25%, Secured Debt (Maturity March 9, 2018)(9)	9,400	9,245	9,258
B. J. Alan Company	Retailer and Distributor of Consumer Fireworks				
		12% Current / 2.5% PIK Secured Debt (Maturity June 22, 2017)	10,070	9,975	9,975
Blackboard, Inc.(10)	Education Software Provider				
		LIBOR Plus 6.00%, Current Coupon 7.50%, Secured Debt (Maturity October 4, 2018)(9)	2,978	2,881	3,008
		LIBOR Plus 10.00%, Current Coupon 11.50%, Secured Debt (Maturity April 4, 2019)(9)	2,000	1,848	1,900
				4,729	4,908
Blue Coat Systems, Inc.(10)	Web Security and WAN Optimization				
		LIBOR Plus 6.00%, Current Coupon 7.50%, Secured Debt (Maturity February 15, 2018)(9)	1,988	1,951	2,005
		LIBOR Plus 10.00%, Current Coupon 11.50%, Secured Debt (Maturity August 15, 2018)(9)	2,000	1,944	2,054
				3,895	4,059

Brand Connections, LLC	Venue-Based Marketing and Media				
		14% Secured Debt (Maturity April 30, 2015)	5,861	5,775	5,861
Brasa Holdings Inc.(10)	Upscale Full Service Restaurants				
		LIBOR Plus 6.25%, Current Coupon 7.50%, Secured Debt (Maturity July 18, 2019)(9)	3,500	3,399	3,518
		LIBOR Plus 9.50%, Current Coupon 11.00%, Secured Debt (Maturity January 19, 2020)(9)	2,000	1,923	1,923
				5,322	5,441
Calloway Laboratories, Inc.(10)	Health Care Testing Facilities				
		10.00% Current / 2.00% PIK Secured Debt (Maturity September 30, 2014)(9)	5,015	4,886	4,886
CDC Software Corporation(10)	Enterprise Application Software				
		LIBOR Plus 6.00%, Current Coupon 7.50%, Secured Debt (Maturity August 6, 2018)(9)	4,250	4,208	4,260
CHI Overhead Doors, Inc.(10)	Manufacturer of Overhead Garage Doors				
		LIBOR Plus 5.75%, Current Coupon 7.25%, Secured Debt (Maturity August 17, 2017)(9)	2,416	2,375	2,415
		LIBOR Plus 9.50%, Current Coupon 11.00%, Secured Debt (Maturity February 17, 2018)(9)	2,500	2,456	2,438
				4,831	4,853

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

September 30, 2012

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Citadel Plastics Holding, Inc.(10)	Supplier of Commodity Chemicals / Plastic Parts				
		LIBOR Plus 5.25%, Current Coupon 6.75%, Secured Debt (Maturity February 28, 2018)(9)	2,993	2,965	3,015
Congruent Credit Opportunities Fund II, LP(11)(12)	Investment Partnership				
		LP Interests (Fully diluted 18.75%)		12,251	12,144
Connolly Holdings Inc.(10)	Audit Recovery Software				
		LIBOR Plus 5.25%, Current Coupon 6.50%, Secured Debt (Maturity July 15, 2018)(9)	2,494	2,470	2,505
		LIBOR Plus 9.25%, Current Coupon 10.50%, Secured Debt (Maturity January 15, 2019)(9)	2,000	1,961	2,025
				4,431	4,530
CST Industries(10)	Storage Tank Manufacturer				
		LIBOR Plus 6.25%, Current Coupon 7.75%, Secured Debt (Maturity May 22, 2017)(9)	12,344	12,168	12,213
Diversified Machine, Inc.(10)	Automotive Component Supplier				
		LIBOR Plus 7.75%, Current Coupon 9.25%, Secured Debt (Maturity December 1, 2016)(9)	1,740	1,709	1,710
Drilling Info, Inc.	Information Services for the Oil and Gas Industry				
		Common Stock (Fully diluted 2.3%)		1,335	5,070
Emerald Performance Materials, Inc.(10)	Specialty Chemicals Manufacturer				
		LIBOR Plus 5.50%, Current Coupon 6.75%, Secured Debt (Maturity May 18, 2018)(9)	3,990	3,952	4,030
Engility Corporation(10)(12)	Defense Software				
		LIBOR Plus 4.50%, Current Coupon 5.75%, Secured Debt (Maturity July 18, 2017)(9)	5,000	4,952	5,012
eResearch Technology, Inc.(10)	Provider of Technology-Driven Health Research				
		LIBOR Plus 6.50%, Current Coupon 8.00%, Secured Debt (Maturity June 29, 2018)(9)	3,500	3,364	3,472
EnCap Energy Fund Investments(11)(12)	Investment Partnership				
		LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)		1,288	1,484
		LP Interests (EnCap Energy Capital Fund VIII Co Investors, L.P.) (Fully diluted 0.3%)		358	358
		LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 1.1%)		254	254

				1,900	2,096
Fairway Group Acquisition Company(10)	Retail Grocery				
		LIBOR Plus 6.75%, Current Coupon 8.25%, Secured Debt (Maturity August 17, 2018)(9)	4,000	3,941	4,040
Flexera Software LLC(10)	Software Licensing				
		LIBOR Plus 9.75%, Current Coupon 11.00%, Secured Debt (Maturity September 30, 2018)(9)	3,000	2,783	3,060
Fram Group Holdings, Inc.(10)	Manufacturer of Automotive Maintenance Products				
		LIBOR Plus 5.00%, Current Coupon 6.50%, Secured Debt (Maturity July 29, 2017)(9)	990	986	986
		LIBOR Plus 9.00%, Current Coupon 10.50%, Secured Debt (Maturity January 29, 2018)(9)	1,000	996	877
				1,982	1,863
GFA Brands, Inc.(10)(12)	Food Products				