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Capitala Finance Corp. Announces Successful Exit of Portfolio Company, KBP Investments, LLC

Exit of Largest Equity Investment Generates \$9.3 Million in Capital Gains

CHARLOTTE, N.C., March 17, 2015 (GLOBE NEWSWIRE) -- [Capitala Finance Corp.](#) (the "Company" or "Capitala") (Nasdaq:CPTA) announced today that it has recently exited its investment in KBP Investments, LLC ("KBP"), a holding company for one of the largest quick-service restaurant franchisee systems in the United States.

Earlier this month Capitala sold its preferred and common equity investment in KBP in exchange for total upfront cash proceeds of \$17.6 million. Capitala will recognize a \$9.3 million realized gain in the first quarter of 2015 in respect of this transaction. Since Capitala's investment in April 2011, the implied internal rate of return on its KBP investment is 40% with a cumulative cash-on-cash return of 2.92x.

"We are delighted to have been a financing partner for KBP," stated [Joe Alala](#), Chairman and CEO of Capitala. "The successful exit of our largest equity investment is a great milestone for Capitala. We will continue to execute on our investment strategy of rotating a portion of our portfolio from successful equity investments to current-yielding investments and seek new opportunities to put the Company's capital to work."

About Capitala Finance Corp.

Capitala Finance Corp. is a business development company that invests primarily in traditional mezzanine, senior subordinated and unitranche debt, as well as senior and second-lien loans and, to lesser extent, equity securities issued by lower and traditional middle-market companies. The Company is managed by Capitala Investment Advisors, LLC. For more information about the Company, please visit www.CapitalaGroup.com.

About KBP Investments, LLC

KBP Investments, LLC ("KBP" or the "Company") is an Overland Park, Kansas based holding company for KBP Foods, LLC, a franchisee of over 270 KFC and Taco Bell restaurants in 10 states throughout the Midwest and Southeastern United States. In 2014, the Franchise Times' "Restaurant 200" annual report ranked KBP Foods as the 24th largest restaurant franchisee in the United States.

Forward-Looking Statements

This press release contains certain forward-looking statements. Words such as "believes," "intends," "expects," "projects," "anticipates," and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, condition or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

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