



Investor Presentation

Quarter Ended March 31, 2014

Important Notice

This presentation contains “forward looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to risks and uncertainties. Actual outcomes and results could differ materially from those suggested by this presentation due to the impact of many factors beyond the control of Medley Capital Corporation, including those listed in the “Risk Factors” section of our filings with the Securities and Exchange Commission (“SEC”). Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws and Medley Capital Corporation assumes no obligation to update or revise any such forward-looking statements.

Certain information discussed in this presentation (including information relating to portfolio companies) was derived from third party sources and has not been independently verified and, accordingly, the Company makes no representation or warranty in respect of this information.

The following slides contain summaries of certain financial and statistical information about Medley Capital Corporation. The information contained in this presentation is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We undertake no duty or obligation to publicly update or revise the information contained in this presentation. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. You should not view the past performance of Medley Capital Corporation, or information about the market, as indicative of Medley Capital Corporation’s future results. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of Medley Capital Corporation.

Financial & Portfolio Highlights

Financial Highlights

	Q2-14	Q1-14	Q4-13	Q3-13	Q2-13
Net investment income per share	\$ 0.38	\$ 0.42	\$ 0.41	\$ 0.37	\$ 0.36
Net realized gains (losses)	\$ -	\$ -	\$ -	\$ -	\$ 0.01
Net unrealized gains (losses)	\$ (0.09)	\$ (0.07)	\$ 0.02	\$ (0.27)	\$ 0.03
Provision for taxes on unrealized per share	\$ (0.01)	\$ -	\$ -	\$ -	\$ -
Net income per share ¹	\$ 0.28	\$ 0.36	\$ 0.43	\$ 0.10	\$ 0.40
Net asset value per share	\$ 12.69	\$ 12.68	\$ 12.70	\$ 12.65	\$ 12.73

Portfolio Highlights

- \$959.0M total fair value of investments as of March 31, 2014
- \$170.7M gross originations during quarter ended March 31, 2014
- \$205.2M of backlog² as of May 1, 2014

Asset Mix by Asset Class

	03/31/14	12/31/13	09/30/13	06/30/13	03/31/13
Senior Secured 1st Lien	69.0%	64.0%	65.9%	60.0%	64.0%
Senior Secured 2nd Lien	29.7%	35.4%	33.6%	39.5%	35.3%
Unsecured Debt	0.1%	0.1%	0.1%	0.1%	-
Equity/Other	1.2%	0.5%	0.4%	0.4%	0.7%

Asset Mix by Rating

Rating	03/31/14	12/31/13	09/30/13	06/30/13	03/31/13
1	3.6%	4.3%	5.0%	6.6%	5.0%
2	88.7%	88.4%	86.8%	85.6%	86.1%
3	6.4%	5.9%	6.6%	6.2%	8.9%
4	0.9%	0.9%	1.1%	1.0%	-
5	0.4%	0.5%	0.5%	0.6%	-

1. May not foot due to rounding.

2. Backlog represents transactions that Management reasonably expects to close in the coming ninety days.

Select Financial & Portfolio Information

	As of and for the Three Months Ended (dollars in millions, except per share data)					
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013	
Net investment income per share - basic & diluted	\$ 0.38	\$ 0.42	\$ 0.41	\$ 0.37	\$ 0.36	
Net realized and unrealized gains per share - basic & diluted ¹	(0.10)	(0.07)	0.02	(0.27)	0.04	
GAAP EPS - basic & diluted ²	0.28	0.36	0.43	0.10	0.40	
Dividend declared per share	0.37	0.37	0.37	0.37	0.36	
Stockholders' equity	\$ 587.2	\$ 509.9	\$ 509.8	\$ 420.2	\$ 365.5	
Net asset value per share	12.69	12.68	12.70	12.65	12.73	
Market Capitalization ³	\$ 629.9	\$ 556.8	\$ 553.7	\$ 451.2	\$ 454.9	
Common stock data:						
High Price ⁴	\$ 14.72	\$ 14.64	\$ 14.65	\$ 15.65	\$ 16.15	
Low Price ⁴	13.41	13.38	13.04	13.06	14.46	
Closing Price	13.61	13.85	13.79	13.58	15.85	
Investments at fair value	\$ 959.0	\$ 818.5	\$ 749.2	\$ 686.4	\$ 594.2	
% Floating Rate	62.9%	59.9%	52.8%	44.4%	46.8%	
% Fixed Rate	36.3%	39.5%	46.7%	55.1%	52.4%	
% Equity and other non-interest earning	0.8%	0.6%	0.5%	0.5%	0.8%	
Number of Portfolio Companies	69	63	57	56	51	
Gross originations for the quarter	\$ 170.7	\$ 160.6	\$ 106.0	\$ 119.0	\$ 123.2	
Realizations/amortizations for the quarter	\$ 29.8	\$ 92.0	\$ 47.5	\$ 22.5	\$ 53.0	
Net originations for the quarter	\$ 140.9	\$ 68.6	\$ 58.5	\$ 96.5	\$ 70.2	
Backlog	\$ 205.2	\$ 245.4	\$ 133.7	\$ 137.1	\$ 139.5	

1. Inclusive of provision for taxes of \$316,858 for the quarter ended 3/31/14.

2. May not foot due to rounding.

3. Reflects common shares outstanding of 46,283,712 and a closing share price of \$13.61 as of 3/31/14, 40,199,813 and a closing share price of \$13.85 as of 12/31/13, 40,152,904 and a closing share price of \$13.79 as of 9/30/13, 33,226,126 and a closing share price of \$13.58 as of 6/30/13, and 28,703,397 and a closing share price of \$15.85 as of 3/31/13.

4. Reflects the high and low closing share price during the periods ended 3/31/14, 12/31/13, 9/30/13, 6/30/13, and 3/31/13, respectively.

Note: Basic and diluted per share data reflects weighted average common shares outstanding of 43,883,259 as of 3/31/14, 40,162,592 as of 12/31/13, 34,881,365 as of 9/30/13, 32,658,336 as of 6/30/13, and 28,669,859 as of 3/31/13.

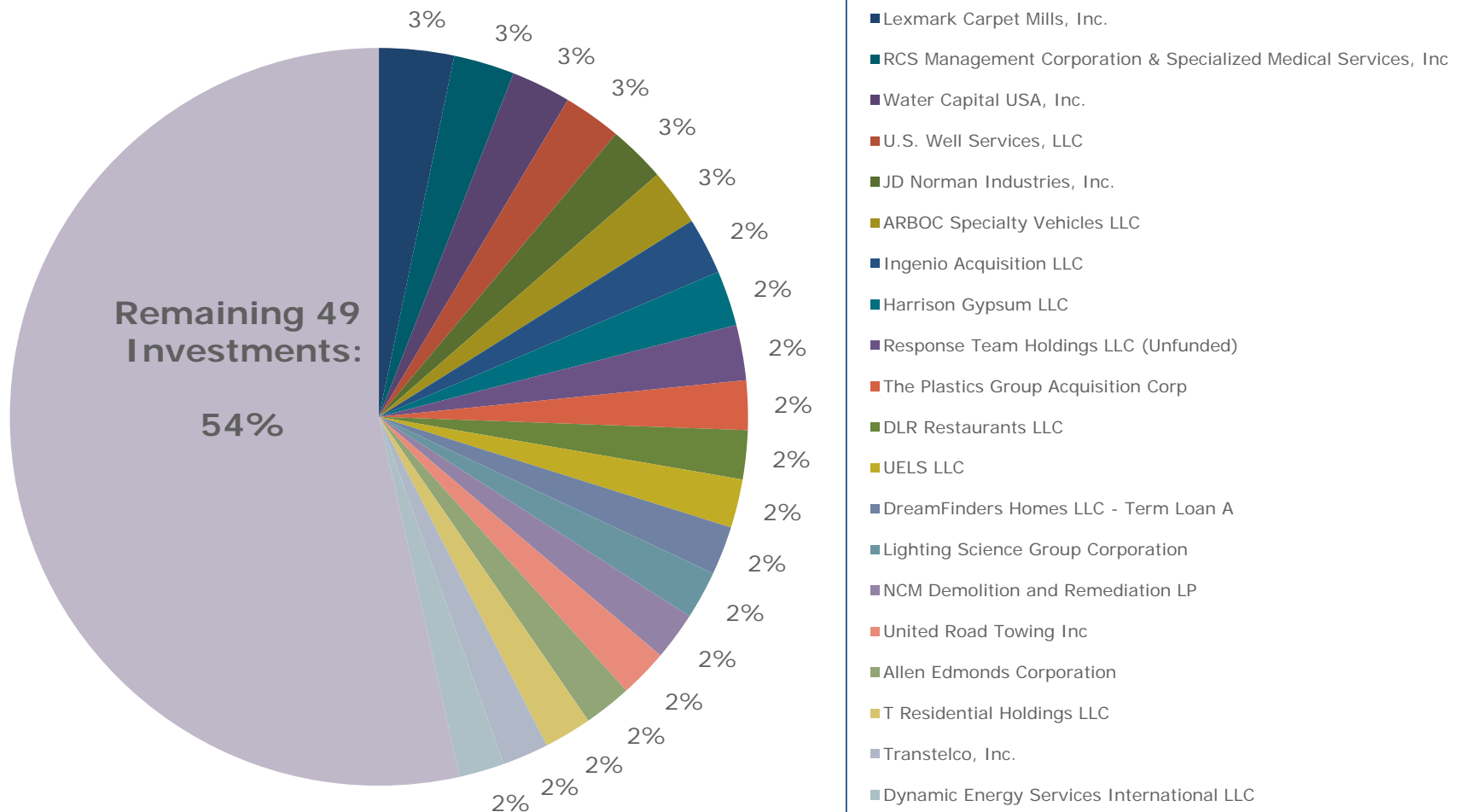
Balance Sheet

(dollars in thousands, except per share data)

	<u>3/31/2014</u> (Unaudited)	<u>12/31/2013</u> (Unaudited)	<u>9/30/2013</u> (Audited)	<u>6/30/2013</u> (Unaudited)	<u>3/31/2013</u> (Unaudited)
ASSETS					
Investments at fair value					
Non-control/non-affiliate investments	\$ 949,197	\$ 809,125	\$ 740,097	\$ 677,351	\$ 585,282
Affiliate investments	9,805	9,333	9,140	9,024	8,881
Total investments at fair value	<u>959,002</u>	<u>818,458</u>	<u>749,237</u>	<u>686,375</u>	<u>594,163</u>
Cash	22,673	46,142	8,558	13,459	29,660
Interest receivable	12,377	9,052	9,608	9,941	7,022
Deferred financing costs, net	8,375	8,875	8,523	8,295	7,599
Receivable for paydown of investments	1,365	2,186	-	4,569	-
Other assets	1,070	648	467	2,212	1,402
TOTAL ASSETS	<u>\$ 1,004,862</u>	<u>\$ 885,361</u>	<u>\$ 776,393</u>	<u>\$ 724,851</u>	<u>\$ 639,846</u>
LIABILITIES					
Revolving credit facility payable	\$ 136,200	\$ 95,900	\$ 2,500	\$ 54,700	\$ 26,100
Term loan payable	120,000	120,000	120,000	115,000	105,000
Notes payable	103,500	103,500	103,500	103,500	103,500
SBA debentures payable	44,000	44,000	30,000	5,000	-
Payable for investments originated, purchased and participated	1,176	-	54	15,000	30,741
Management and incentive fees payable, net	8,217	7,923	6,900	5,985	5,133
Interest and fees payable	1,276	1,402	1,156	2,814	1,655
Accounts payable, accrued expenses and other liabilities	3,253	2,740	2,449	2,606	2,236
TOTAL LIABILITIES	<u>\$ 417,622</u>	<u>\$ 375,465</u>	<u>\$ 266,559</u>	<u>\$ 304,605</u>	<u>\$ 274,365</u>
NET ASSETS					
Common stock, par value \$.001 per share, 100,000,000 common shares authorized, 46,283,712 common shares issued and outstanding as of March 31, 2014	46	40	40	33	29
Capital in excess of par value	588,677	506,687	506,062	422,205	358,651
Accumulated undistributed net investment income	13,820	14,359	12,185	7,015	6,935
Accumulated undistributed net realized gain (loss) from investments	73	45	-	193	329
Net unrealized appreciation (depreciation) on investments	(15,376)	(11,235)	(8,453)	(9,200)	(463)
Total net assets	<u>587,240</u>	<u>509,896</u>	<u>509,834</u>	<u>420,246</u>	<u>365,481</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,004,862</u>	<u>\$ 885,361</u>	<u>\$ 776,393</u>	<u>\$ 724,851</u>	<u>\$ 639,846</u>
NET ASSET VALUE PER SHARE	<u>\$ 12.69</u>	<u>\$ 12.68</u>	<u>\$ 12.70</u>	<u>\$ 12.65</u>	<u>\$ 12.73</u>

Portfolio by Issuer as of March 31, 2014

Top 20 Investments: 46%



Portfolio Diversification as of March 31, 2014

Industry Diversification

Industry	Percentage
Oil and Gas	9.9%
Buildings and Real Estate	8.7%
Personal and Nondurable Consumer Products	6.7%
Business Services	5.9%
Retail Stores	5.9%
Personal, Food and Miscellaneous Services	5.4%
Telecommunications	5.2%
Healthcare, Education and Childcare	4.5%
Mining, Steel, Iron and Nonprecious Metals	4.4%
Home and Office Furnishings, Housewares	4.3%
Aerospace & Defense	4.2%
Containers, Packaging and Glass	3.8%
Diversified/Conglomerate Manufacturing	3.7%
Chemicals, Plastics and Rubber	3.6%
Beverage, Food and Tobacco	3.6%
Finance	3.5%
Restaurant & Franchise	3.3%
Diversified/Conglomerate Service	2.7%
Automobile	2.5%
Leisure, Amusement, Motion Pictures, Entertainment	2.3%
Hotels, Motels, Inns and Gaming	1.6%
Structure Finance Securities	1.0%
Machinery (Nonagriculture, Nonconstruction, Nonelectric)	0.9%
Grocery	0.8%
Electronics	0.8%
Cargo Transport	0.8%
Total	100%

Geographic Diversification

Region	Percentage
Midwest US	26.5%
Southeast US	20.0%
Western US	19.5%
South Western US	18.6%
Northeast US	9.4%
Mid-Atlantic US	5.0%
International	1.0%
Total	100%

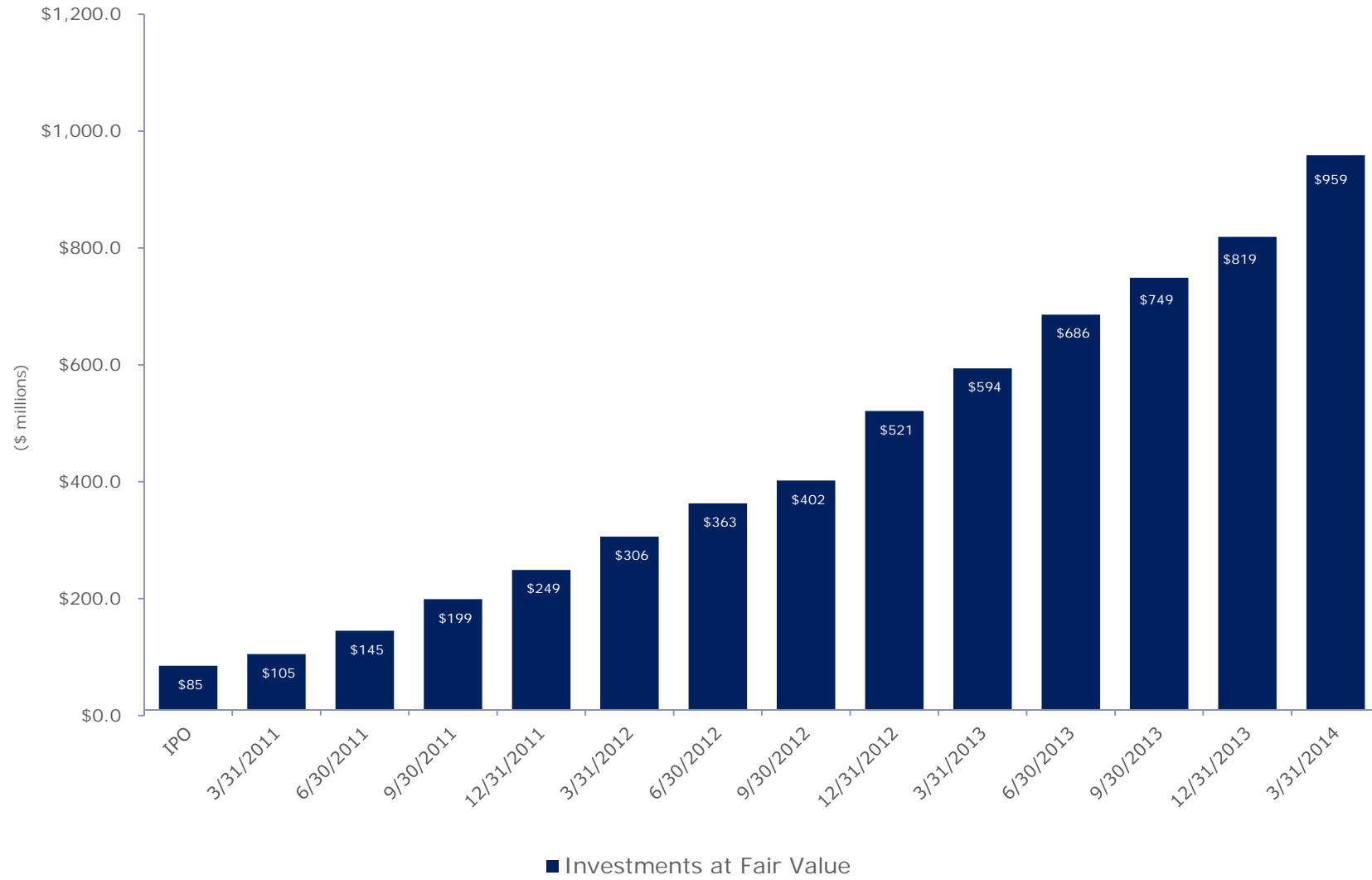
Performance Overview

- Consistent quarterly dividend (\$0.37 per share for quarter ending 3/31/14)
- Diversified portfolio with weighted average loan-to-value of 56.3% through MCC's debt
- 13.5% portfolio yield as of 3/31/14¹
- FY Q2 2014 gross investment originations of \$170.7 million
- Completed 6.0 million share offering in April 2014 for net proceeds of \$76.7 million
- Total debt/credit facility commitments of \$618.5 million² consisting of:
 - \$245 million revolving credit facility priced at L+3.25%, maturing August 2016
 - \$120 million senior secured term loan priced at L+4.0%, maturing August 2017
 - \$40 million of 7.125% senior notes due 2019
 - \$63.5 million of 6.125% senior notes due 2023
 - \$150 million of 10 year SBA debentures²

1. Represents portfolio yield to maturity, excluding fees, while utilizing industry standard forward LIBOR curve assumptions.

2. SBA regulations currently limit the amount that we may borrow to a maximum of \$150 million based upon at least \$75 million in regulatory capital. As of May 1, 2014, we have \$50.0 million in regulatory capital which allows us to borrow up to \$100 million from SBA.

Portfolio Growth



Transaction & Backlog Summary

Deal	Sector	Security	\$Amount ¹	Fixed/Floating	Tenor	Yield ²
Closed in Q2 FY14						
Lighting Science Group Corporation (DD)	Containers, Packaging and Glass	Senior - 1st lien	\$5.0	Floating	1.9 years	13.0%
Lighting Science Group Corporation	Containers, Packaging and Glass	Senior - 2nd lien	15.2	Floating	4.9 years	16.4%
The Plastics Group Acquisition Corp	Chemicals, Plastics and Rubber	Senior - 1st lien	20.8	Fixed	4.9 years	14.2%
Merchant Cash and Capital LLC	Structure Finance Services	Senior - 1st lien	9.4	Floating	4.9 years	11.7%
Dynamic Energy Services International LLC	Oil and Gas	Senior - 1st lien	19.0	Floating	3.9 years	10.5%
Sendero Drilling Company LLC	Oil and Gas	Senior - 1st lien	17.3	Floating	5.0 years	14.7%
T Residential Holdings LLC	Buildings and Real Estate	Senior - 1st lien	20.0	Fixed	5.0 years	12.7%
Response Team Holdings LLC	Buildings and Real Estate	Senior - 1st lien	18.5	Floating	5.0 years	12.5%
Response Team Holdings LLC (Pref. Equity)	Buildings and Real Estate	Preferred Equity	4.6	Fixed	5.0 years	15.0%
Momentum Telecom, Inc.	Telecommunications	Senior - 1st lien	10.0	Floating	5.0 years	10.7%
JD Norman Industries, Inc.	Diversified/Conglomerate Manufacturing	Senior - 1st lien	24.0	Floating	5.0 years	12.4%
Add-on Investments	Various	Senior - 1st lien	6.9	Floating/Fixed	N/A	N/A

Closed in Q2 FY14: \$170.7

Backlog³

Deal 1	Electronics	Senior - 2nd Lien	\$30.0	Floating	5.0 years	14.7%
Deal 2	Business Services	Senior - 1st Lien	25.0	Floating	5.0 years	13.6%
Deal 3	Business Services	Senior - 1st Lien	7.5	Floating	5.0 years	14.2%
Deal 4	Textiles and Leather	Senior - 1st Lien	21.2	Floating	5.0 years	12.7%
Deal 5	Leisure, Amusement, Entertainment	Senior - 1st Lien	16.5	Floating	5.0 years	13.8%
Deal 6	Oil and Gas	Senior - 1st Lien	25.0	Floating	5.0 years	13.0%
Deal 7	Finance	Senior - 1st Lien	20.0	Floating	5.0 years	13.6%
Deal 8	Ecological	Senior - 1st Lien	30.0	Floating	5.0 years	12.0%
Deal 9	Personal, Food and Misc Services	Senior - 1st Lien	30.0	Floating	5.0 years	12.3%

Total Backlog: \$205.2

1. Reflects investments at original cost.
2. Represents yield to maturity, excluding fees, while utilizing industry standard forward LIBOR curve assumptions.
3. Backlog represents transactions that Management reasonably expects to close in the coming ninety days.

Corporate Information

Board of Directors

BROOK TAUBE
Chairman & Chief Executive Officer

SETH TAUBE
Partner

JEFF TONKEL
Partner

KARIN HIRTLER-GARVEY
Independent Director

JOHN E. MACK
Independent Director

ARTHUR AINSBERG
Independent Director

RICHARD A. DORFMAN
Independent Director

Corporate Officers

BROOK TAUBE
Chairman & Chief Executive Officer

RICHARD T. ALLORTO, JR.
Chief Financial Officer & Secretary

JOHN FREDERICKS
Chief Compliance Officer

Investment Committee

BROOK TAUBE
Chairman & Chief Executive Officer

SETH TAUBE
Partner

Management Team

JEFF TONKEL
Partner

Research Coverage

BARCLAYS CAPITAL INC.
Mark C. DeVries – (212)-526-9484

BB&T CAPITAL MARKETS
Vernon Plack - (804)-780-3257

CREDIT SUISSE
Douglas Harter – (212)-538-5983

GILFORD SECURITIES
Casey Alexander - (212)-940-9276

JANNEY CAPITAL MARKETS
John Rogers - (202)-955-4316

JMP SECURITIES
Christopher York – (415)-835-8965

KEEFE, BRUYETTE & WOODS
Greg Mason- (314)-342-2194

LADENBURG THALMANN & CO.
Mickey Schleien- (305)-572-4131

MAXIM GROUP
Michael Diana- (212)-895-3641

NATIONAL SECURITIES
Andrew Kerai – (212)-417-3638

STEPHENS INC.
John Hecht – (415)-548-6901

UBS INVESTMENT RESEARCH
Matthew Howlett – (212)-713-2382

WELLS FARGO SECURITIES, LLC
Jonathan Bock- (443)-263-6410

Corporate Counsel

SUTHERLAND ASBIL & BRENNAN LLP
Washington, DC

Independent Registered Public Accounting Firm

ERNST & YOUNG, LLP
New York, NY

Corporate Headquarters

375 Park Avenue, 33rd Floor
New York, NY 10152
(212)-759-0777

Securities Listing

NYSE: MCC (Common Stock)
MCQ (Senior Notes Due 2019)
MCV (Senior Notes Due 2023)

Transfer Agent

AMERICAN STOCK TRANSFER & TRUST
COMPANY, LLC
(888) 777-0324

Investor Relations

RICHARD T. ALLORTO, JR.
(212)-759-0777