

MEDLEY

CAPITAL CORPORATION

Quarter Ended
December 31, 2013
Investor Presentation

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

	Q1-14	Q4-13	Q3-13	Q2-13	Q1-13
Net investment income per share	\$ 0.42	\$ 0.41	\$ 0.37	\$ 0.36	\$ 0.39
Net realized gains (losses)	\$ -	\$ -	\$ -	\$ 0.01	\$ 0.01
Net unrealized gains (losses)	\$ (0.07)	\$ 0.02	\$ (0.27)	\$ 0.03	\$ (0.01)
Net income per share ¹	\$ 0.36	\$ 0.43	\$ 0.10	\$ 0.40	\$ 0.39
Net asset value per share	\$ 12.68	\$ 12.70	\$ 12.65	\$ 12.73	\$ 12.69

Portfolio Highlights

- \$818.5M total fair value of investments as of December 31, 2013
- \$160.6M gross originations during quarter ended December 31, 2013
- \$245.4M of backlog² as of February 5, 2014

Asset Mix by Asset Class

	12/31/13	09/30/13	06/30/13	03/31/13	12/31/12
Senior Secured 1st Lien	64.0%	65.9%	60.0%	64.0%	65.2%
Senior Secured 2nd Lien	35.4%	33.6%	39.5%	35.3%	34.2%
Unsecured Debt	0.1%	0.1%	0.1%	-	-
Equity/Other	0.5%	0.4%	0.4%	0.7%	0.6%

Asset Mix by Rating

Rating	12/31/13	09/30/13	06/30/13	03/31/13	12/31/12
1	4.3%	5.0%	6.6%	5.0%	4.4%
2	88.4%	86.8%	85.6%	86.1%	87.5%
3	5.9%	6.6%	6.2%	8.9%	8.1%
4	0.9%	1.1%	1.0%	-	-
5	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)				
	12/31/2013	9/30/2013	6/30/2013	3/31/2013	12/31/2012
Net investment income per share - basic & diluted	\$ 0.42	\$ 0.41	\$ 0.37	\$ 0.36	\$ 0.39
Net realized and unrealized gains per share - basic & diluted	(0.07)	0.02	(0.27)	0.04	-
GAAP EPS - basic & diluted ¹	0.36	0.43	0.10	0.40	0.39
Dividend declared per share	0.37	0.37	0.37	0.36	0.36
Stockholders' equity	\$ 509.9	\$ 509.8	\$ 420.2	\$ 365.5	\$ 363.7
Net asset value per share	12.68	12.70	12.65	12.73	12.69
Market Capitalization ²	\$ 556.8	\$ 553.7	\$ 451.2	\$ 454.9	\$ 417.3
Common stock data:					
High Price ³	\$ 14.64	\$ 14.65	\$ 15.65	\$ 16.15	\$ 14.62
Low Price ³	13.38	13.04	13.06	14.46	12.99
Closing Price	13.85	13.79	13.58	15.85	14.56
Investments at fair value	\$ 818.5	\$ 749.2	\$ 686.4	\$ 594.2	\$ 520.7
% Fixed Rate	39.5%	46.7%	55.1%	52.4%	56.3%
% Floating Rate	59.9%	52.8%	44.4%	46.8%	43.0%
% Equity and other non-interest earning	0.6%	0.5%	0.5%	0.8%	0.7%
Number of Portfolio Companies	63	57	56	51	46
Gross originations for the quarter	\$ 160.6	\$ 106.0	\$ 119.0	\$ 123.2	\$ 133.2
Realizations/amortizations for the quarter	\$ 92.0	\$ 47.5	\$ 22.5	\$ 53.0	\$ 16.8
Net originations for the quarter	\$ 68.6	\$ 58.5	\$ 96.5	\$ 70.2	\$ 116.4
Backlog	\$ 245.4	\$ 133.7	\$ 137.1	\$ 139.5	\$ 99.0

1. May not foot due to rounding.

2. Reflects common shares outstanding of 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, 28,703,397 and a closing share price of \$15.85 as of 3/31/13, and 28,662,049 and a closing share price of \$14.56 as of 12/31/12.

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

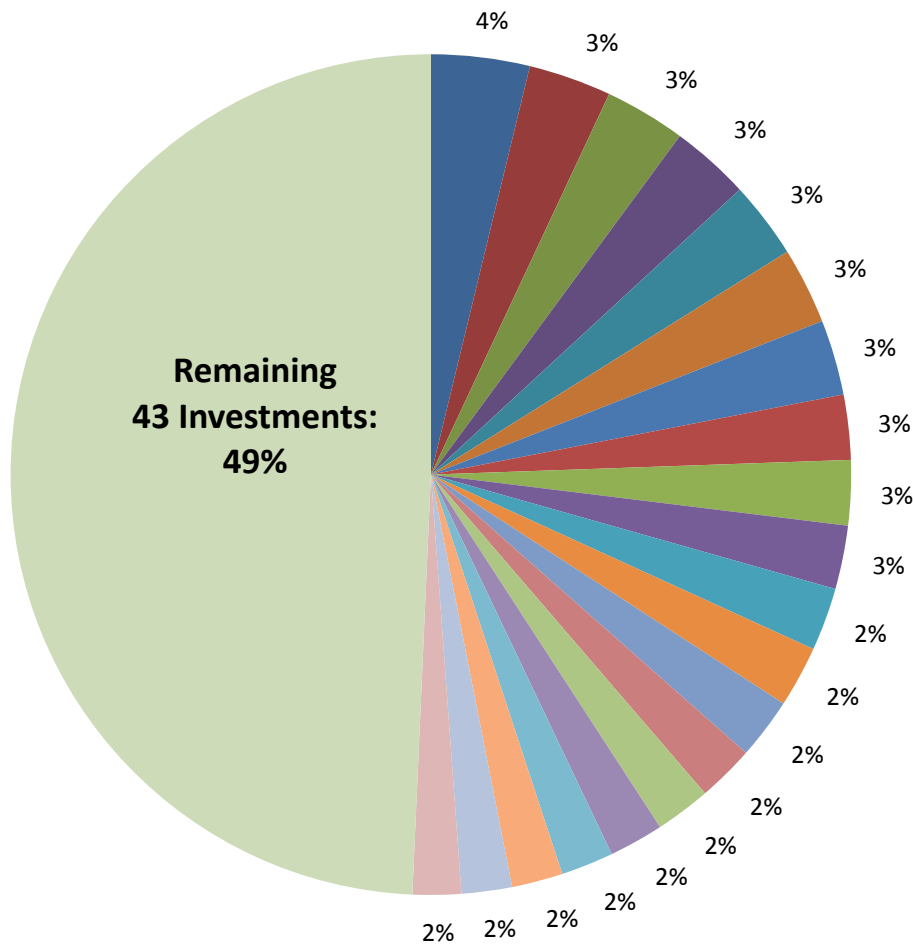
Note: Basic and diluted per share data reflects weighted average common shares outstanding of 40,162,592 as of 12/31/13, 34,881,365 as of 9/30/13, 32,658,336 as of 6/30/13, 28,669,859 as of 3/31/13 and 24,767,375 as of 12/31/12.

Balance Sheet

(dollars in thousands, except per share data)

	12/31/2013 (Unaudited)	9/30/2013 (Audited)	6/30/2013 (Unaudited)	3/31/2013 (Unaudited)	12/31/2012 (Unaudited)
ASSETS					
Investments at fair value					
Non-control/non-affiliate investments	\$ 809,125	\$ 740,097	\$ 677,351	\$ 585,282	\$ 512,261
Affiliate investments	9,333	9,140	9,024	8,881	8,433
Total investments at fair value	818,458	749,237	686,375	594,163	520,694
Cash and cash equivalents	46,142	8,558	13,459	29,660	1,667
Interest receivable	9,052	9,608	9,941	7,022	6,079
Deferred financing costs, net	8,875	8,523	8,295	7,599	5,526
Receivable for investments sold and paydowns	2,186	-	4,569	-	-
Other assets	648	467	2,212	1,402	603
TOTAL ASSETS	\$ 885,361	\$ 776,393	\$ 724,851	\$ 639,846	\$ 534,569
LIABILITIES					
Revolving credit facility payable	\$ 95,900	\$ 2,500	\$ 54,700	\$ 26,100	\$ 44,000
Term loan payable	120,000	120,000	115,000	105,000	80,500
Notes payable	103,500	103,500	103,500	103,500	40,000
SBA debentures payable	44,000	30,000	5,000	-	-
Payable for investments originated and purchased	-	54	15,000	30,741	-
Management and incentive fees payable, net	7,923	6,900	5,985	5,133	4,500
Interest and fees payable	1,402	1,156	2,814	1,655	293
Accounts payable, accrued expenses and other liabilities	2,740	2,449	2,606	2,236	1,528
TOTAL LIABILITIES	\$ 375,465	\$ 266,559	\$ 304,605	\$ 274,365	\$ 170,821
NET ASSETS					
Common stock, par value \$.001 per share, 100,000,000 common shares authorized, 40,199,813 common shares issued and outstanding as of December 31, 2013	40	40	33	29	29
Capital in excess of par value	506,687	506,062	422,205	358,651	358,123
Accumulated undistributed net investment income	14,359	12,185	7,015	6,935	6,857
Accumulated undistributed net realized gain (loss) from investments	45	-	193	329	177
Net unrealized appreciation (depreciation) on investments	(11,235)	(8,453)	(9,200)	(463)	(1,438)
Total net assets	509,896	509,834	420,246	365,481	363,748
TOTAL LIABILITIES AND NET ASSETS	\$ 885,361	\$ 776,393	\$ 724,851	\$ 639,846	\$ 534,569
NET ASSET VALUE PER SHARE	\$ 12.68	\$ 12.70	\$ 12.65	\$ 12.73	\$ 12.69

Portfolio by Issuer as of December 31, 2013



Top 20 Investments: 51%

- Lexmark Carpet Mills, Inc.
- Water Capital USA, Inc.
- RCS Management Corporation & Specialized Medical Services, Inc
- Ingenio Acquisition LLC
- U.S. Well Services, LLC
- ARBOC Specialty Vehicles LLC
- Harrison Gypsum LLC
- United Road Towing Inc
- UELS LLC
- Allen Edmonds Corporation
- DreamFinders Homes LLC - Term Loan A
- NCM Demolition and Remediation LP
- Transtelco, Inc.
- DLR Restaurants LLC
- Albertville Quality Foods, Inc.
- Calloway Laboratories, Inc. - Term Loan A
- Reddy Ice Corporation
- Aurora Flight Sciences Corporation
- Physicians Care Alliance LLC
- Travelclick, Inc.

Portfolio Diversification as of December 31, 2013

Industry Diversification

Industry	Percentage
Personal and Nondurable Consumer Products	8.0%
Business Services	7.2%
Oil and Gas	7.1%
Retail Stores	7.0%
Personal, Food and Miscellaneous Services	6.5%
Healthcare, Education and Childcare	5.3%
Finance	5.3%
Mining, Steel, Iron and Nonprecious Metals	5.2%
Home and Office Furnishings, Housewares	4.9%
Telecommunications	4.8%
Buildings and Real Estate	4.8%
Aerospace & Defense	4.6%
Beverage, Food and Tobacco	4.1%
Restaurant & Franchise	3.6%
Diversified/Conglomerate Service	3.1%
Automobile	2.9%
Diversified/Conglomerate Manufacturing	2.9%
Leisure, Amusement, Motion Pictures, Entertainment	2.7%
Containers, Packaging and Glass	1.9%
Hotels, Motels, Inns and Gaming	1.9%
Chemicals, Plastics and Rubber	1.7%
Cargo Transport	1.5%
Grocery	1.0%
Electronics	1.0%
Machinery (Nonagriculture, Nonconstruction, Nonelectric)	1.0%
Total	100%

Geographic Diversification

Region (Based on corporate headquarters)	Percentage
Midwest US	28.9%
Western US	23.1%
Southeast US	16.5%
South Western US	14.9%
Northeast US	9.7%
Mid Atlantic US	5.8%
International	1.1%
Total	100%

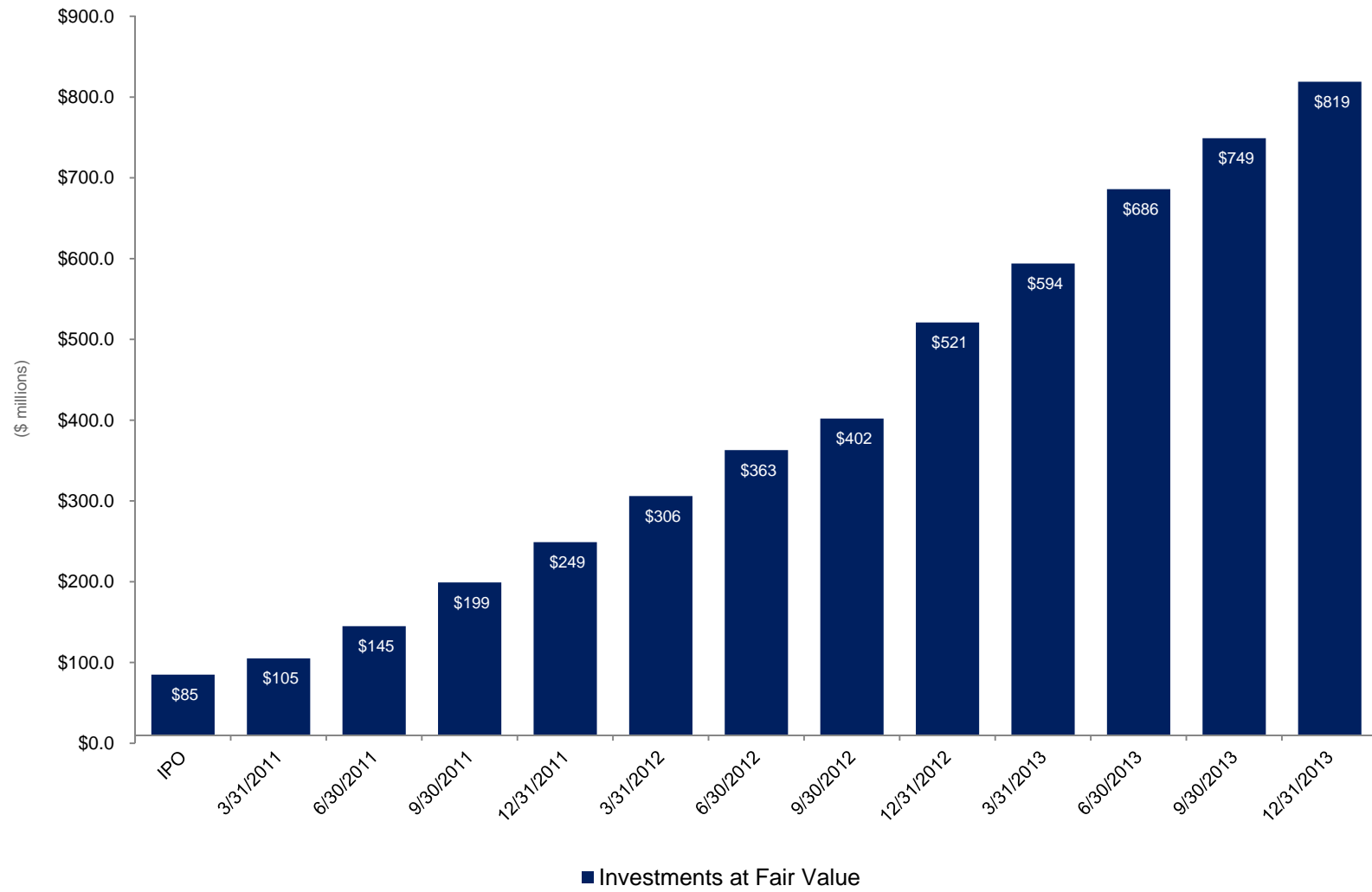
Performance Overview

- Consistent quarterly dividend (\$0.37 per share for quarter ending 12/31/13)
- Diversified portfolio with weighted average loan-to-value of 56.0% through MCC's debt
- 13.6% portfolio yield as of 12/31/13¹
- FY Q1 2014 gross investment originations of \$160.6 million
- Completed 6.0 million share offering in January 2014 for net proceeds of \$80.9 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 February 5, 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 Q1 FY14						
AM3 Pinnacle Corporation	Telecommunications	Senior - 1st lien	\$8.0	Fixed	4.8 years	10.5%
Albertville Quality Foods, Inc.	Beverage, Food and Tobacco	Senior - 1st lien	17.5	Floating	4.8 years	11.8%
Albertville Quality Foods, Inc. (DD)	Beverage, Food and Tobacco	Senior - 1st lien	1.0	Floating	4.8 years	11.8%
Wheels Up Partners LLC	Aerospace & Defense	Senior - 1st lien	8.1	Floating	6.5 years	11.8%
Transtelco Holdings, Inc.	Telecommunications	Senior - 1st lien	19.2	Floating	3.9 years	11.3%
GSG Fasteners	Personal and Nondurable Consumer Products	Senior - 1st lien	9.0	Floating	4.9 years	11.7%
Marine Accessories Corporation	Personal and Nondurable Consumer Products	Senior - 1st lien	10.8	Floating	4.9 years	14.6%
Allen Edmonds Corporation	Retail Stores	Senior - 2nd lien	20.0	Floating	5.4 years	11.6%
California Products Corp.	Chemicals, Plastics and Rubber	Senior - 2nd lien	13.8	Fixed	5.4 years	13.9%
UELS LLC	Oil and Gas	Senior - 2nd lien	20.4	Floating	4.9 years	13.3%
Chassix Holdings, Inc.	Automobile	Senior - 1st lien	2.9	Fixed	5.0 years	10.0%
Be Green Packaging LLC	Containers, Packaging and Glass	Senior - 1st lien	5.4	Floating	5.0 years	12.2%
Lucky Strike Entertainment LLC	Leisure, Amusement, Motion Pictures, Entertainment	Senior - 2nd lien	11.5	Floating	5.0 years	15.8%
Add-on Investments	Various	Senior - 1st lien	13.0	Fixed/Floating	N/A	N/A
			Closed in Q1 FY14:	\$160.6		
Backlog³						
Deal 1	Powersports Dealerships	Senior - 1st Lien	\$16.5	Floating	5.0 years	13.7%
Deal 2	Manufacturing	Senior - 2nd Lien	25.0	Floating	5.0 years	15.2%
Deal 3	US/Niche Manufacturing	Senior - 2nd Lien	20.8	Fixed	5.0 years	14.0%
Deal 4	Contract Drilling	Senior - 1st Lien	17.0	Floating	5.0 years	14.4%
Deal 5	Automotive	Senior - 1st Lien	30.0	Floating	5.0 years	12.9%
Deal 6	Communications Equipment	Senior - Unitranche	27.1	Floating	2.0 years	14.3%
Deal 7	Finance	Senior - 2nd Lien	15.0	Fixed	5.0 years	12.8%
Deal 8	Buildings & Real Estate	Senior - Unitranche	10.0	Floating	5.0 years	14.3%
Deal 9	Finance	Senior - 2nd Lien	10.0	Floating	5.0 years	11.7%
Deal 10	Buildings & Real Estate	Senior - 2nd Lien	45.0	Fixed	6.0 years	11.5%
Deal 11	Consumer Retail	Senior - 1st Lien	10.0	Floating	5.0 years	13.9%
Deal 12	Energy Services	Senior - 1st Lien	19.0	Floating	5.0 years	9.9%
			Total Backlog:	\$245.4		

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

ANDREW FENTRESS
Partner

SETH TAUBE
Partner

KARIN HIRTLE-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

ANDREW FENTRESS
Partner

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