



Medley Capital Corporation (NYSE: MCC)

Investor Presentation

Quarter Ended March 31, 2015

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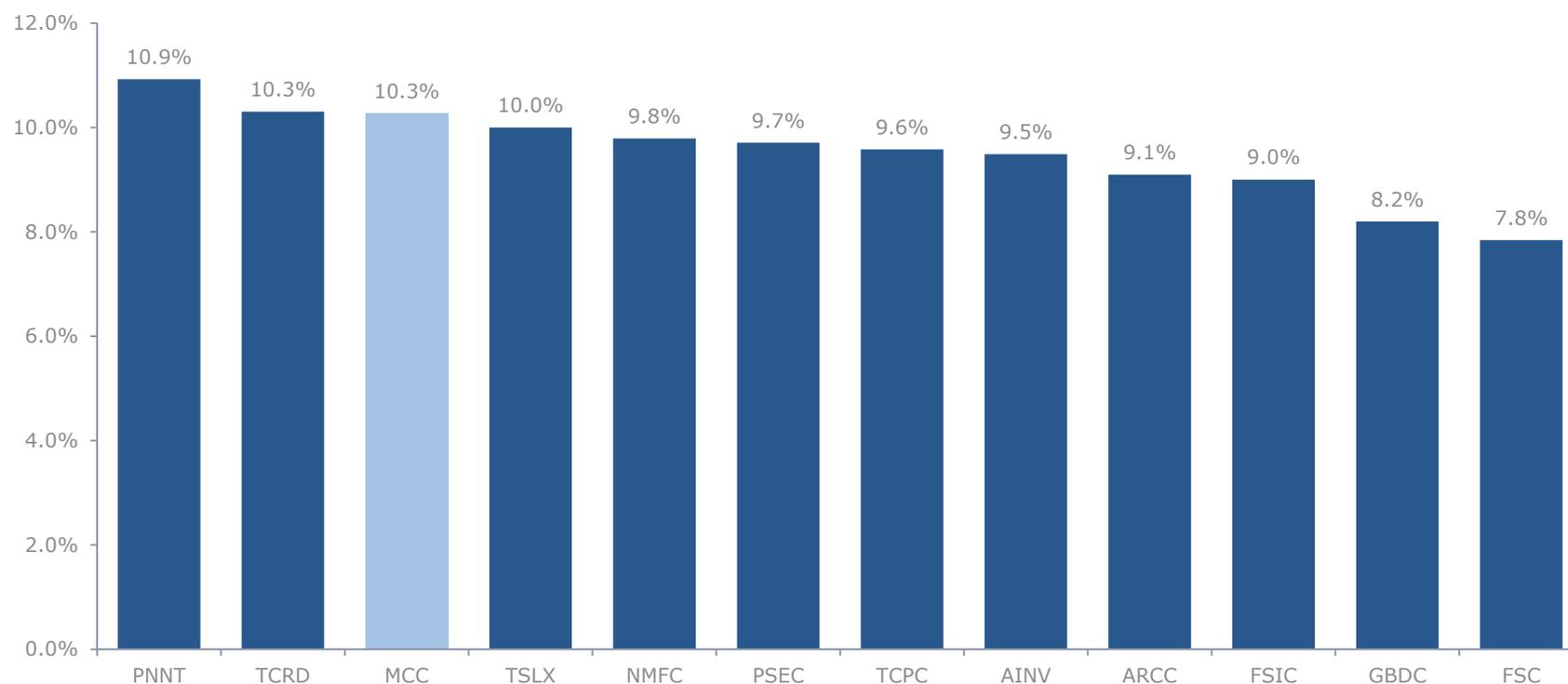
Key Investment Highlights

1. Attractive Market Dynamics
2. Seasoned Management Team
3. Direct Origination Model
4. Disciplined Investment Process
5. Focused on Floating Rate and Senior Secured Assets
6. Attractive Dividend Yield
7. Launch of Senior Loan Strategy Adds Investment Capacity

Strong Relative Dividend On NAV Per Share

- MCC's dividend provides an attractive return on NAV for investors compared to our BDC peers

Current Annualized Dividend Yield On NAV Per Share¹



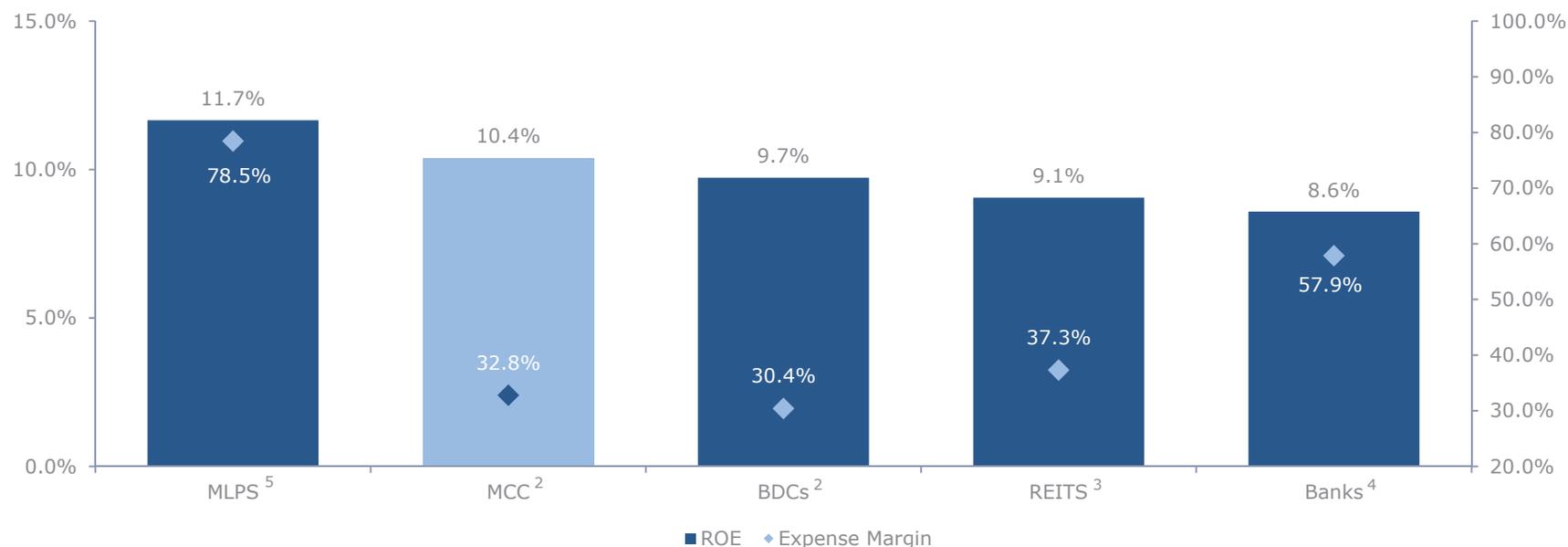
Note: Financial data as of 3/31/2015, except for AINV which is as of 12/31/2014.

1. Dividend yields based upon the most recently declared dividend, annualized.

Comparable Operating ROE & Expense Margins across Asset Classes

- BDCs offer high operating ROE with lower expense ratios compared to other asset classes

Operating ROE and Expense Margins as a % of Total Revenue ¹



Note: Data as of 3/31/2015.

1. LTM expenses exclude interest expense, depreciation and amortization.

2. MCC and BDC operating ROE calculation based off of annualized quarterly NII/Average Shareholder Equity. BDCs include: MCC, ARCC, FSC, FSIC, GBDC, NMFC, PSEC, PNNT, TCPC, TCRD and TSLX.

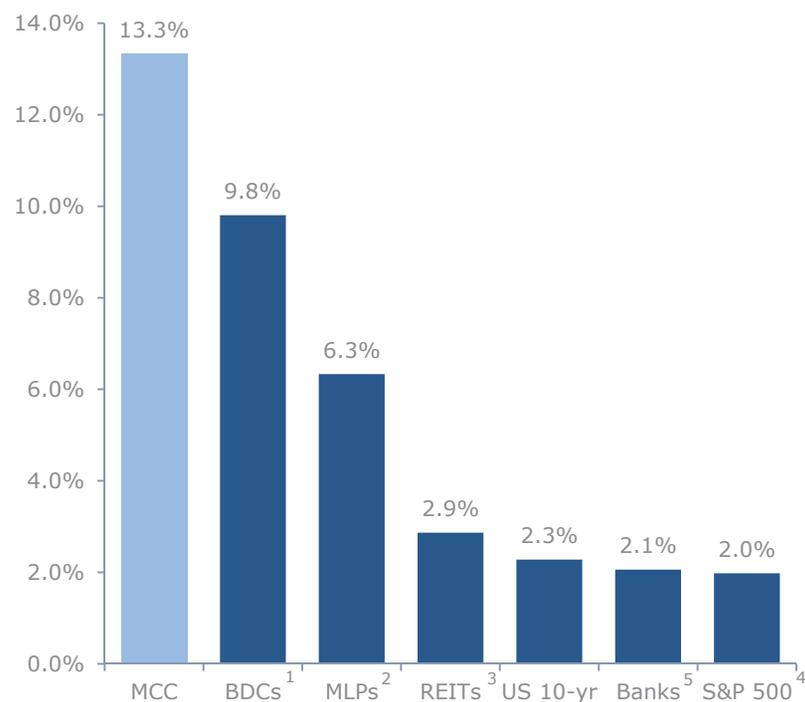
3. REIT operating ROE calculation based off of LTM Earnings From Continuing Operations/Average Shareholder Equity. REITs include: SPG, PSA, HCP, VTR, EQR, BXP, PLD, VNO, AVB and HCN. REITs include: SPG, PSA, HCP, VTR, EQR, BXP, PLD, VNO, AVB and HCN.

4. Bank operating ROE calculation based off of LTM Net Income Less Preferred Dividends/Average Shareholder Equity. Banks include: BAC, C, WFC, JPM, USB, STI, MTB, COF, CMA, HBAN, PNC, ZION, KEY, RF and FITB. Banks include: BAC, C, WFC, JPM, USB, STI, MTB, COF, CMA, HBAN, PNC, ZION, KEY, RF and FITB. Gross revenue includes interest expense.

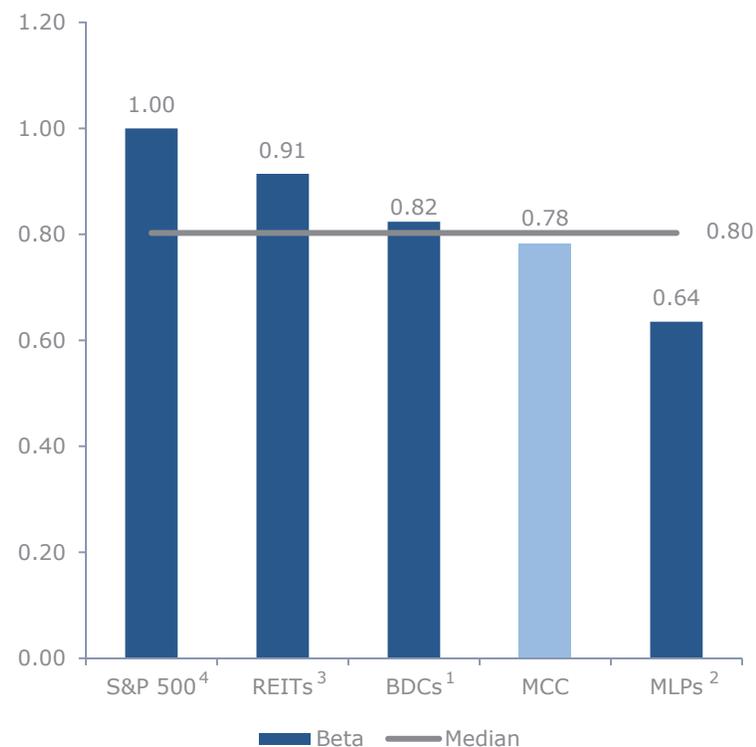
5. MLP operating ROE calculation based off of LTM Earnings From Continuing Operations/Average Shareholder Equity. MLPs include: OKS, PAA, BPL, NGLS, DPM, NMM and EEP.

BDCs Provide Attractive Risk-Adjusted Yields

Dividend Yield



Beta

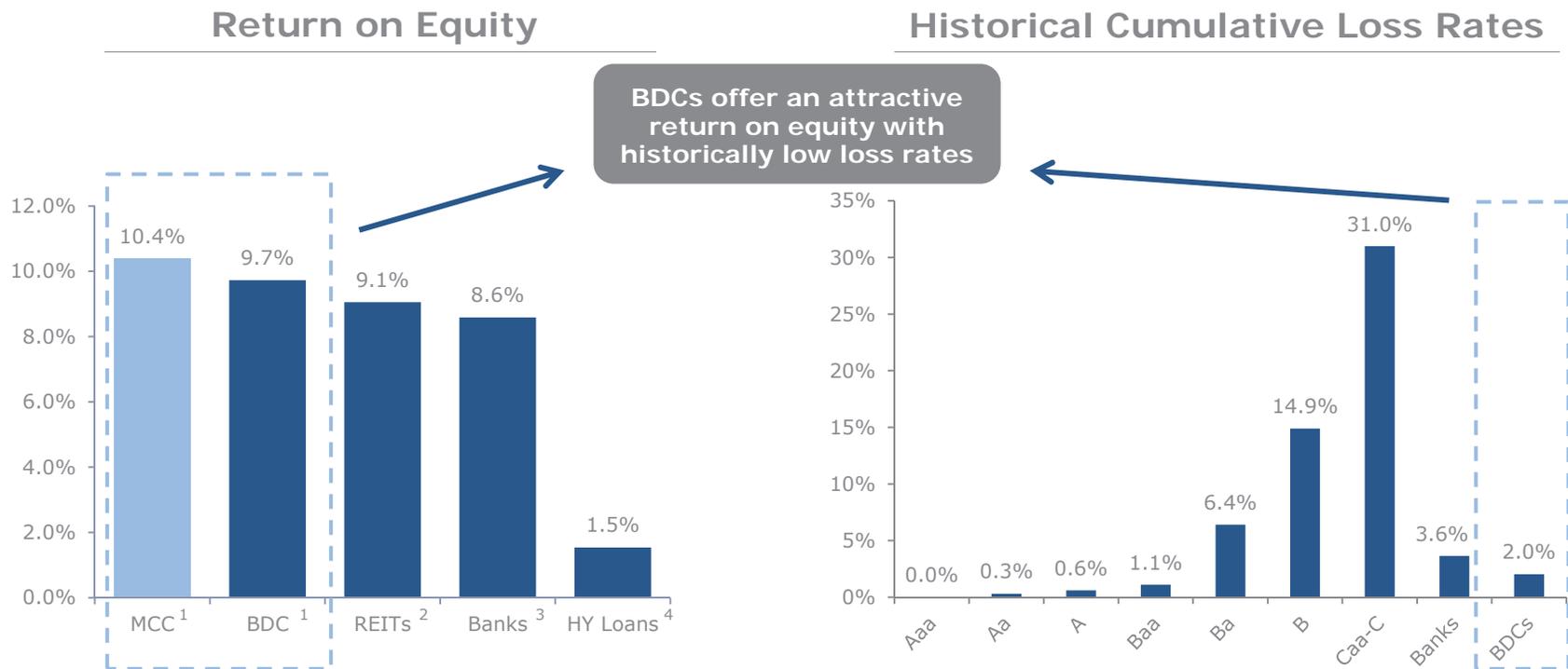


Note: Dividend yields based upon the most recently declared dividend, annualized to reflect the closing share price as of 5/11/2015. Betas from Bloomberg as of 3/31/2015.

1. BDCs include: AINV, ARCC, FSC, FSIC, GBDC, NMFC, PNNT, PSEC, TCPC, TCRD and TSLX. FSIC, NMFC, TCPC and TSLX were not public at the time of MCC's IPO and excluded from Beta calculation.
2. MLPs include: OKS, PAA, BPL, NGLS, DPM, NMM and EEP.
3. REITs include: SPG, PSA, HCP, VTR, EQR, BXP, PLD, VNO, AVB and HCN.
4. S&P 500 Total Return Index.
5. Banks include: BAC, C, WFC, JPM, USB, STI, MTB, COF, CMA, HBAN, PNC, ZION, KEY, RF and FITB.

MCC Delivers Attractive Risk Adjusted Return on Equity

- The BDC industry, as well as MCC, has historically offered higher ROE with lower cumulative losses



Note: Credit Ratings based on cumulative average of loss rates over a five year period (1982-2013).

BDC, REIT and Bank data as of 3/31/2015. Source: TIAA-CREF, Moody's Investor Service, Barclays Credit Research.

1. MCC and BDC ROE calculation based off of annualized quarterly NII/Average Shareholder Equity. BDCs for ROE calculation include: ARCC, FSC, FSIC, GBDC, NMFC, PSEC, PNNT, TCPC, TCRD and TSLX. BDCs for historical cumulative loss rates include: AINV, ARCC, FSC, FSIC, GBDC, MCC, NMFC, PSEC, PNNT, TCPC, TCRD and TSLX. AINV financial data as of 12/31/2014.

2. Bank ROE calculation based off of LTM Net Income Less Preferred Dividends/Average Shareholder Equity. Banks include: BAC, C, WFC, JPM, USB, STI, MTB, COF, CMA, HBAN, PNC, ZION, KEY, RF and FITB.

3. REIT ROE calculation based off of LTM Earnings From Continuing Operations/Average Shareholder Equity. REITs include: SPG, PSA, HCP, VTR, EQR, BXP, PLD, VNO, AVB and HCN.

4. Source: Barclays Credit Research.

MCC Presents an Attractive Investment Opportunity

- Attractive ROE with lower leverage levels vs. other yield oriented asset classes

	<u>Price / NAV</u>	<u>Dividend Yield</u> ¹	<u>Leverage</u> ²	<u>Operating ROE</u> ³
MCC	0.77x	13.3%	0.68x	10.4%
BDCs ⁴	1.01x	9.8%	0.67x	9.7%
REITs ⁵	2.72x	2.9%	1.03x	9.1%
MLPs ⁶	2.17x	6.3%	1.46x	11.7%
Banks ⁷	1.39x	2.1%	7.61x	8.6%

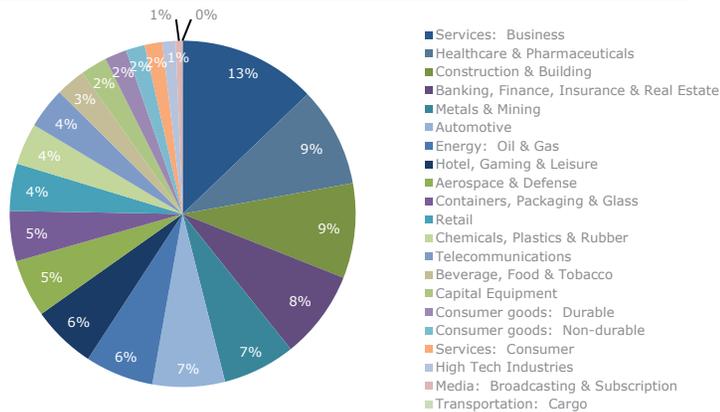
Note: Market data as of 5/11/2015. BDC, REIT, Bank and MLP data as of 3/31/2015.

1. Dividend yields based upon the most recently declared dividend, annualized to reflect the closing share price as of 5/11/2015. Annualized dividend per share does not include special dividends.
2. MCC and BDC leverage calculated as total debt less SBIC debt divided by total book value. Bank leverage includes deposits.
3. MCC and BDC ROE calculation based off of annualized quarterly NII/Average Shareholder Equity.
4. BDCs include: ARCC, FSC, FSIC, GBDC, NMFC, PSEC, PNNT, TCPC, TCRD and TSLX. For dividend yield, BDCs include: AINV, ARCC, FSC, FSIC, GBDC, NMFC, PSEC, PNNT, TCPC, TCRD and TSLX.
5. REITs include: SPG, PSA, HCP, VTR, EQR, BXP, PLD, VNO, AVB and HCN.
6. MLPs include: OKS, PAA, BPL, NGLS, DPM, NMM and EEP
7. Banks include: BAC, C, WFC, JPM, USB, STI, MTB, COF, CMA, HBAN, PNC, ZION, KEY, RF and FITB.

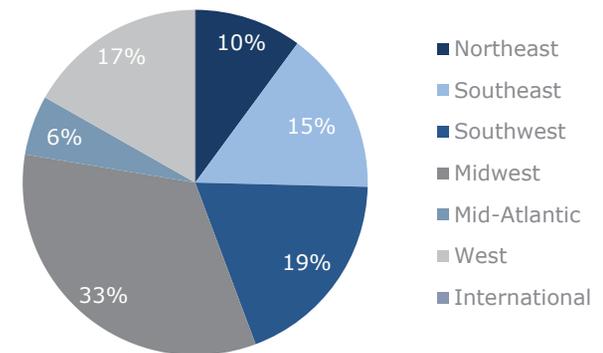
Highly Diversified Senior Secured Floating Rate Portfolio

- MCC has a diversified portfolio of 72 companies with a 12.4% weighted average yield¹

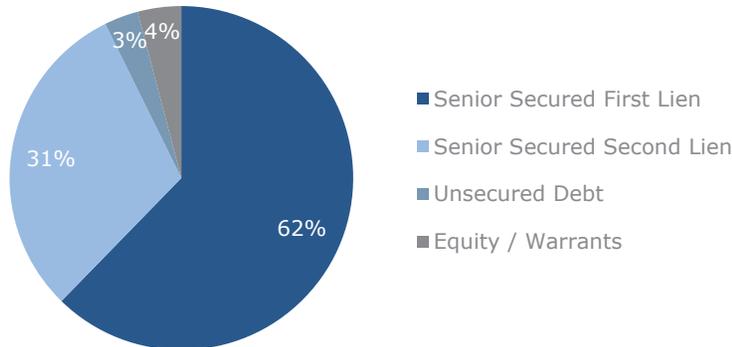
Industry



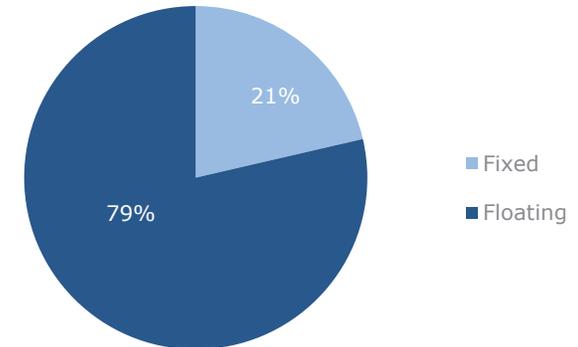
Geography²



Investment Type



Floating vs Fixed Rate



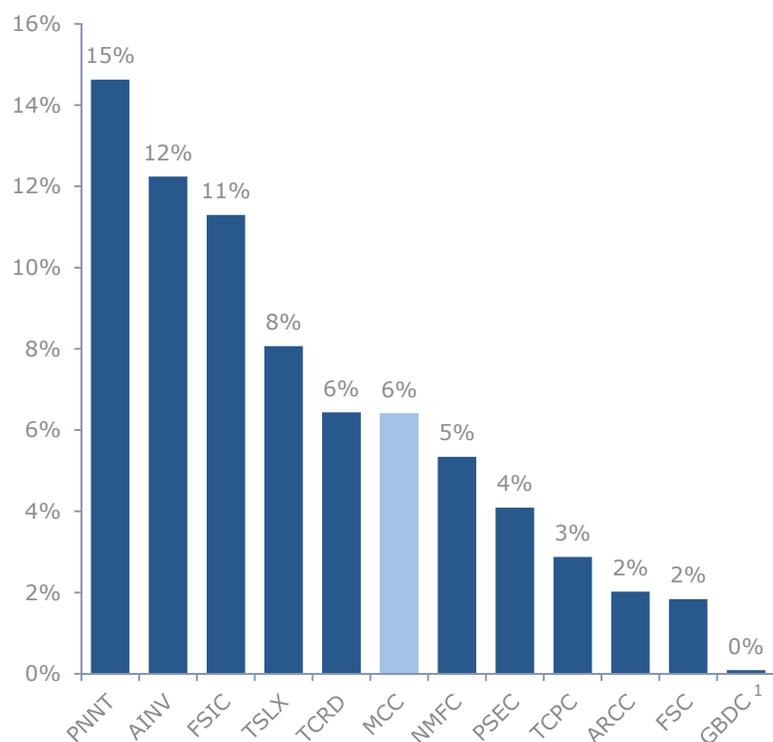
Note: Portfolio data as of 3/31/2015.

- Represents annualized portfolio yield to maturity, excluding fees, while utilizing industry standard forward LIBOR curve assumptions.
- MCC does not have exposure to international investments.

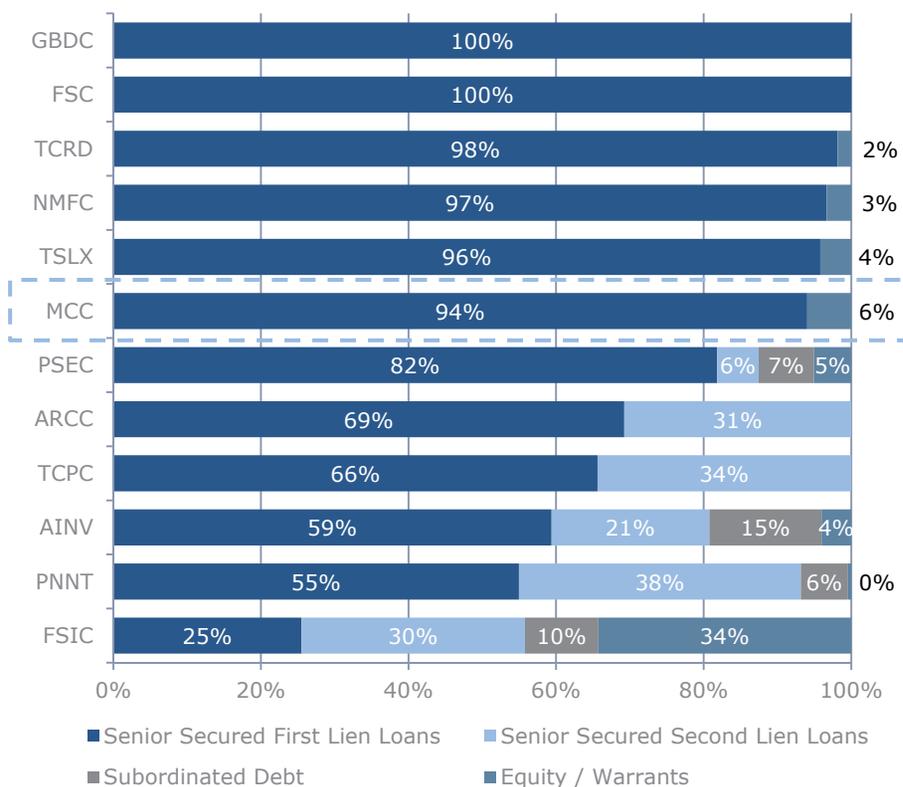
Oil & Gas Exposure

- MCC oil and gas exposure is in line with its BDC peers

Percentage of Portfolio in Energy



Energy Portfolio Assets by Security



Note: Data as of 3/31/2015, except for AINV which is as of 12/31/2014.
1. GBDC has one position in the oil and gas vertical that represents 0.1% of its total portfolio.

Well Positioned for a Rising Rate Environment

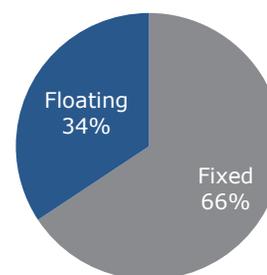
- MCC is well positioned for a rising interest rate environment
- 79% of the portfolio is floating rate
- 37% of interest bearing liabilities are fixed rate

Basis Point Change	Interest Income Change	Interest Expense Change	NII Change	% NII Change
100	\$2,600	\$4,800	\$(2,200)	-3.8%
200	10,100	9,500	600	1.0%
300	19,000	14,300	4,700	8.1%
400	27,800	19,000	8,800	15.2%
500	36,600	23,800	12,800	22.1%

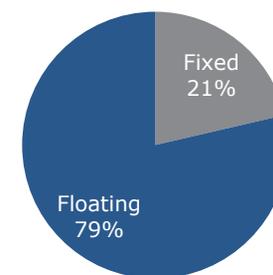
Note: Metrics in thousands of USD. Data as of 3/31/2015.

Assets

12/31/2011

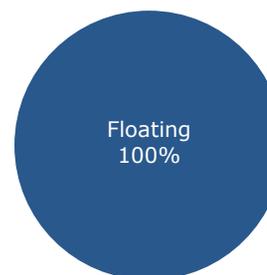


3/31/2015

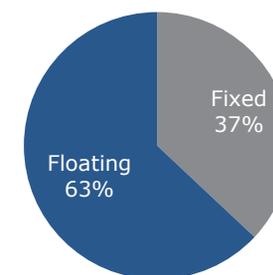


Liabilities

12/31/2011



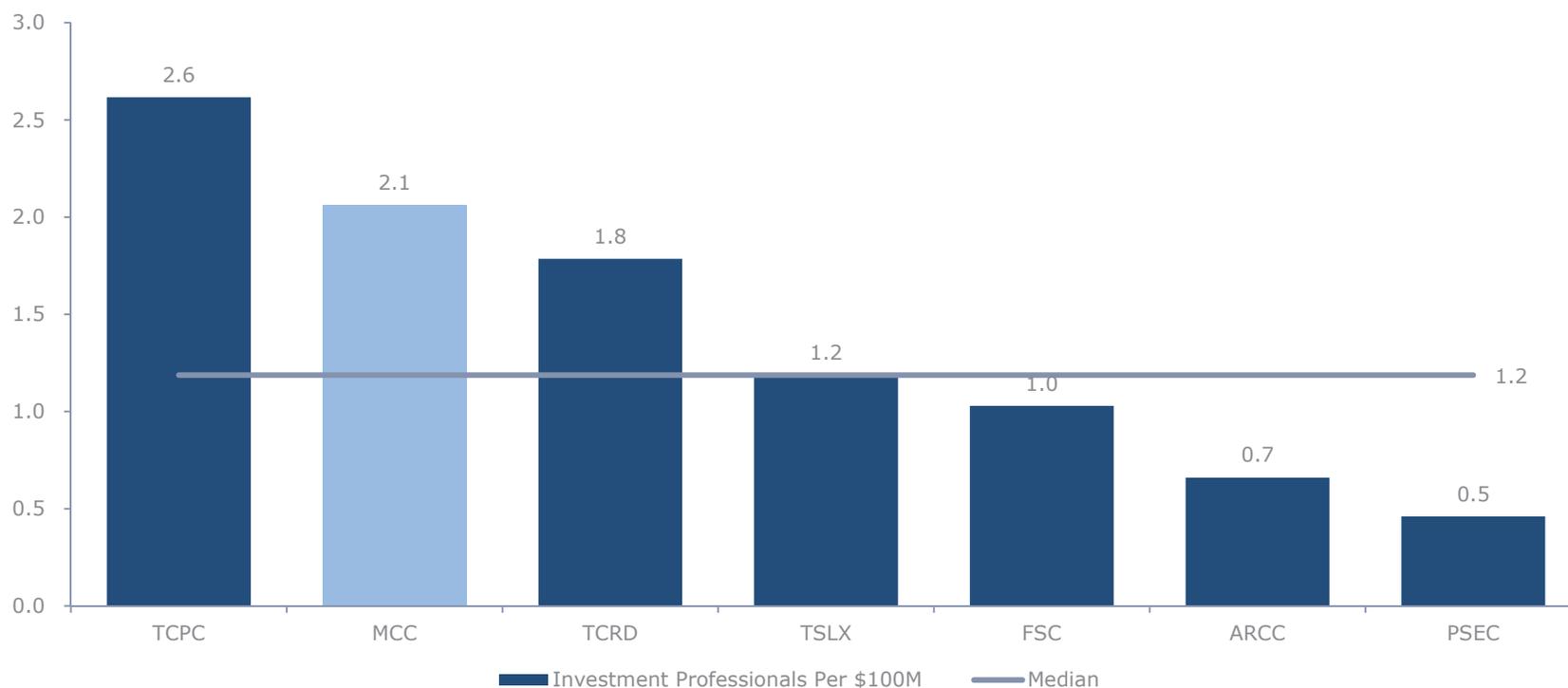
3/31/2015



Comparable Headcount to AUM

- Medley has made a significant investment to build out the team to support origination and asset management

Number of Investment Professionals Per \$100M in AUM ¹

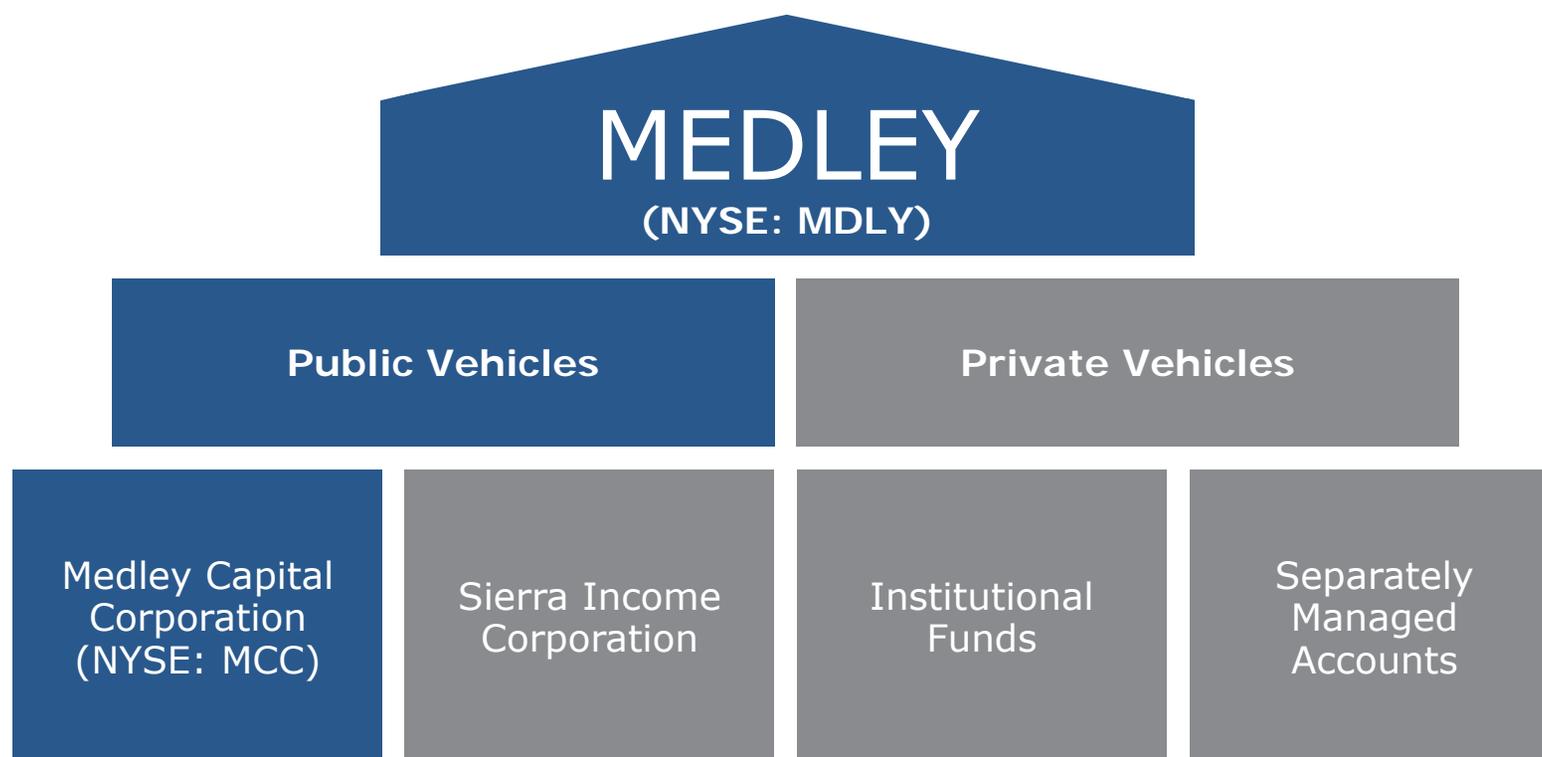


1. Based on professionals stated on each company's website. Does not include Associates and Analysts. Employee data as of 5/6/2015. BDC portfolio data as of the most recent publicly available information.

MEDLEY OVERVIEW

Medley's Platform

- Medley is a CREDIT-FOCUSED direct lender to the middle market



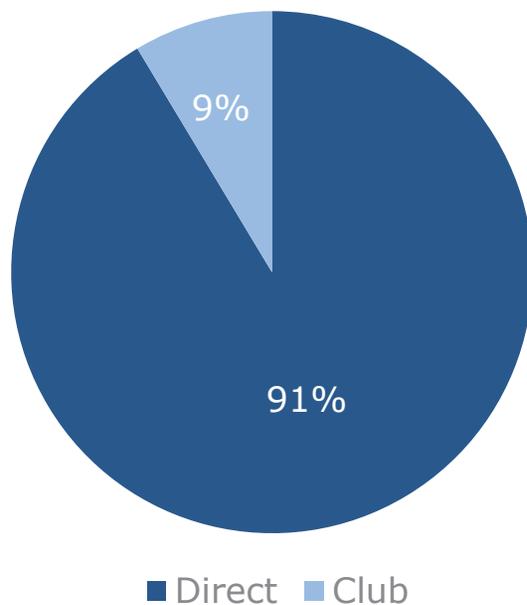
CLIENTS INCLUDE:

- › Pension Funds
- › Insurance Companies
- › Endowments
- › Foundations
- › Public Equity Funds
- › Private Wealth
- › Broker Dealers
- › RIAs

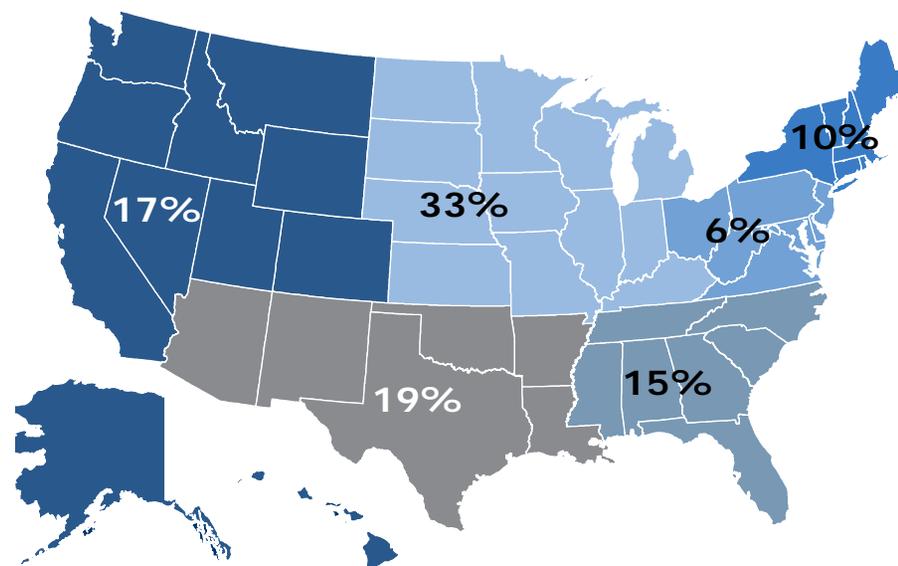
Investment Process – National Origination Platform

- Seasoned 80 person team
- Institutionalized direct origination and underwriting process

MCC Deal Flow by Source ¹



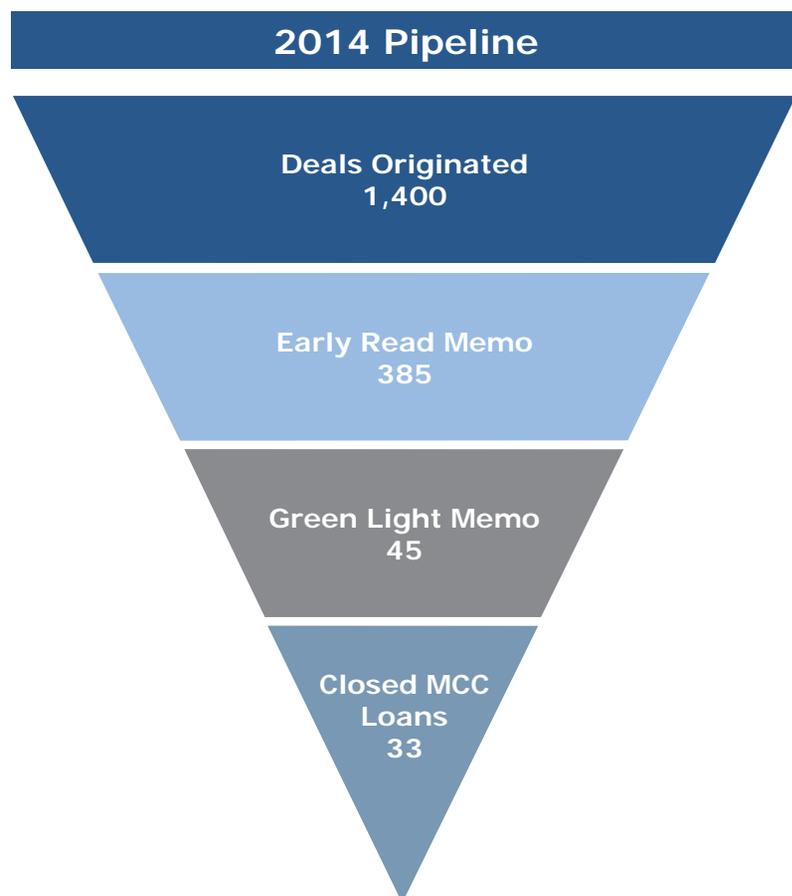
MCC Investments by Geography ²



1. Based on fair value of investment portfolio at 3/31/2015.

2. Based on location of borrower headquarters. As of 3/31/2015 MCC does not have exposure to international investments.

Selective Investment Process by Vintage



Portfolio Construction

Senior Secured

- UCC (lien) filings / Cash control / Covenants

Broadly diversified

- Sector / Collateral / Position size / Geography

Thorough diligence

- Deep underwriting by internal team
- Third-party financial review and independent appraisals

Active Credit Monitoring

Frequent Borrower Contact

- Monthly calls
- Quarterly onsite visits

Monthly Review

- Financial review
- Compliance certificates from borrowers

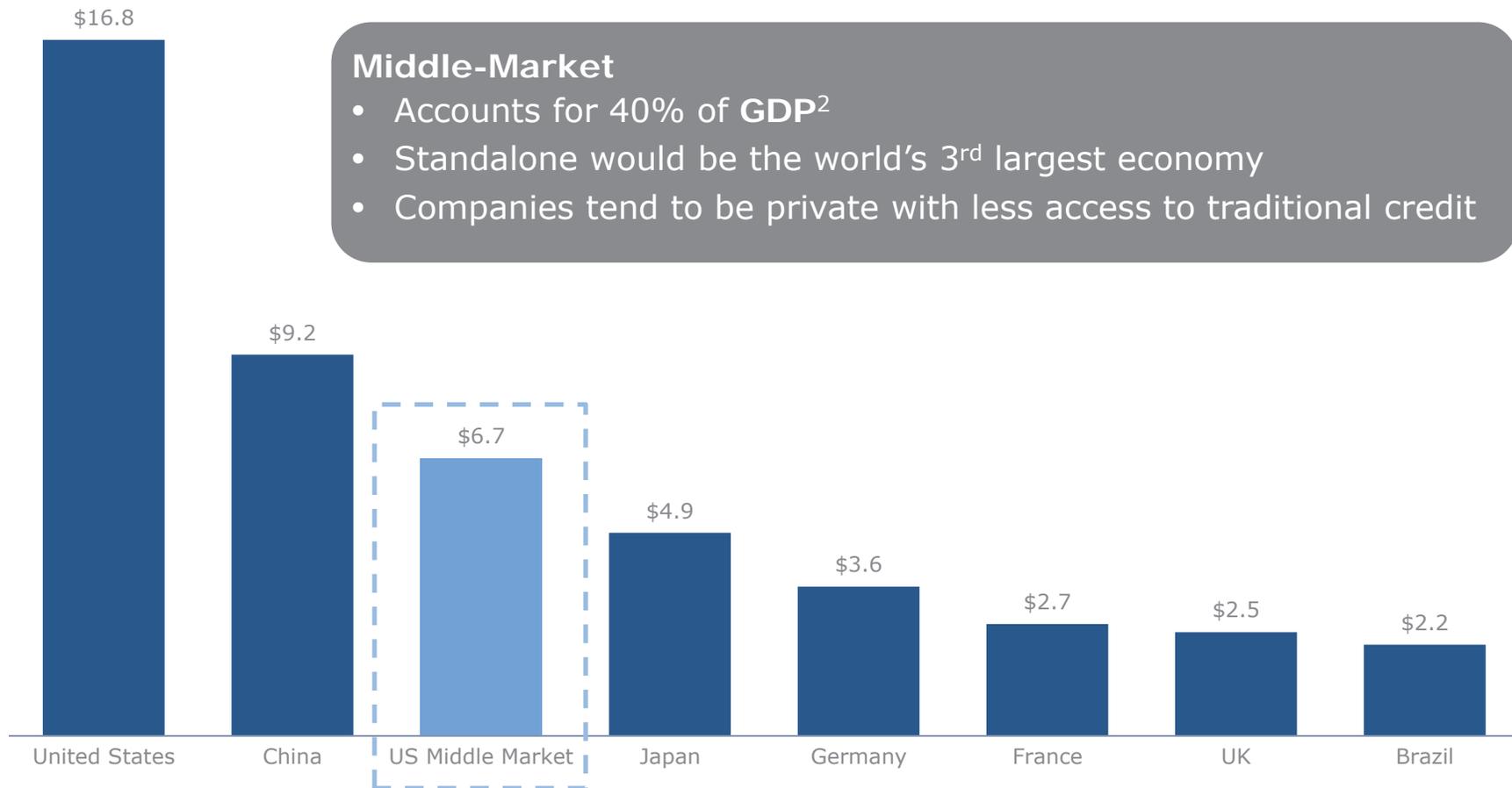
External checks and balances

- Independent valuation and collateral analysis
- Third-party loan servicing
- Outside legal counsel

Attractive Industry Dynamics

The Opportunity – Middle-Market is Substantial

Top GDPs¹



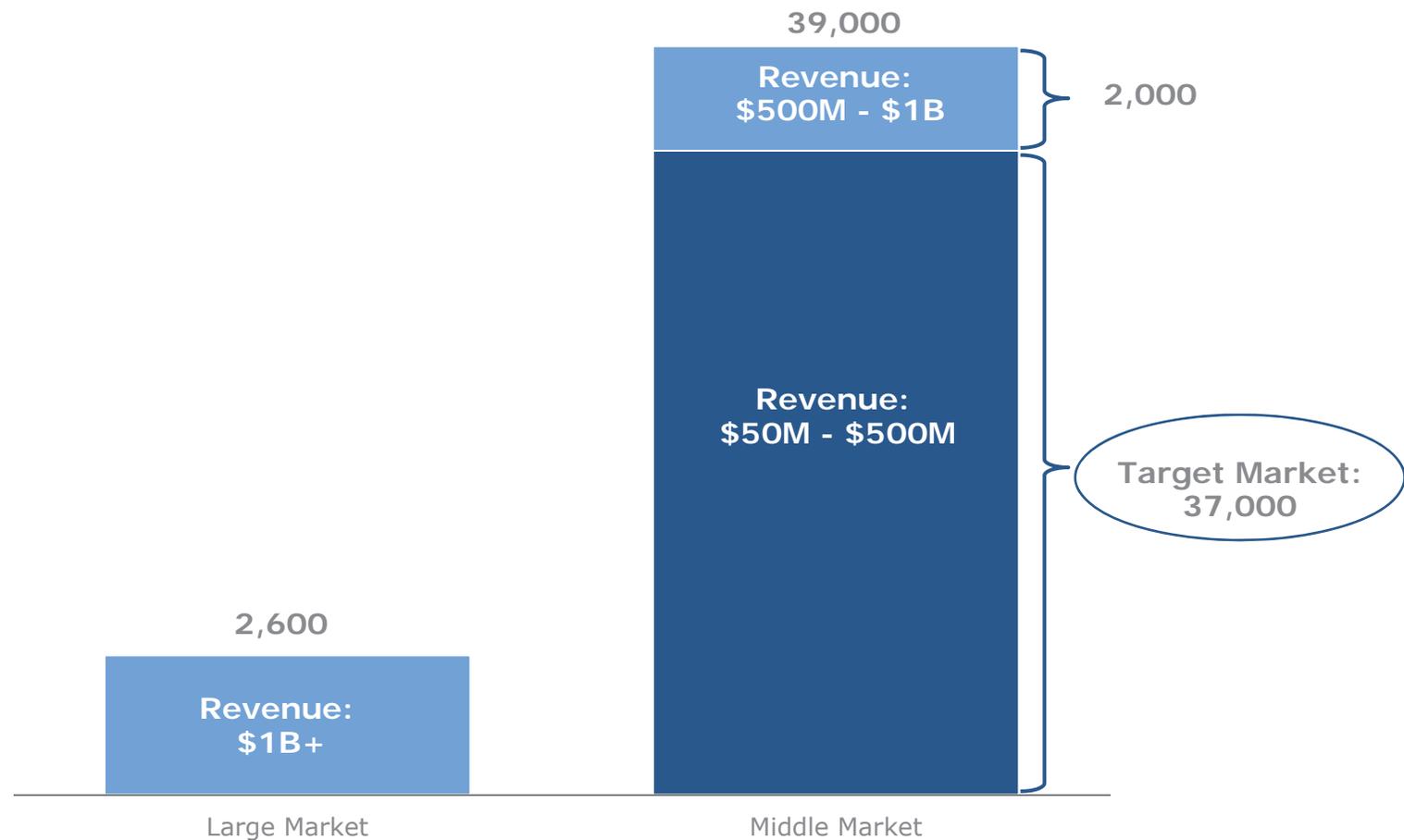
Note: Metrics in trillions of USD.

1. International Monetary Fund, World Economic Outlook Database, June 2014. Data as of 2013.

2. Deloitte, Mid Market Perspectives – 2013 Report on America's Economic Engine.

The Opportunity – Large Number of Borrowers

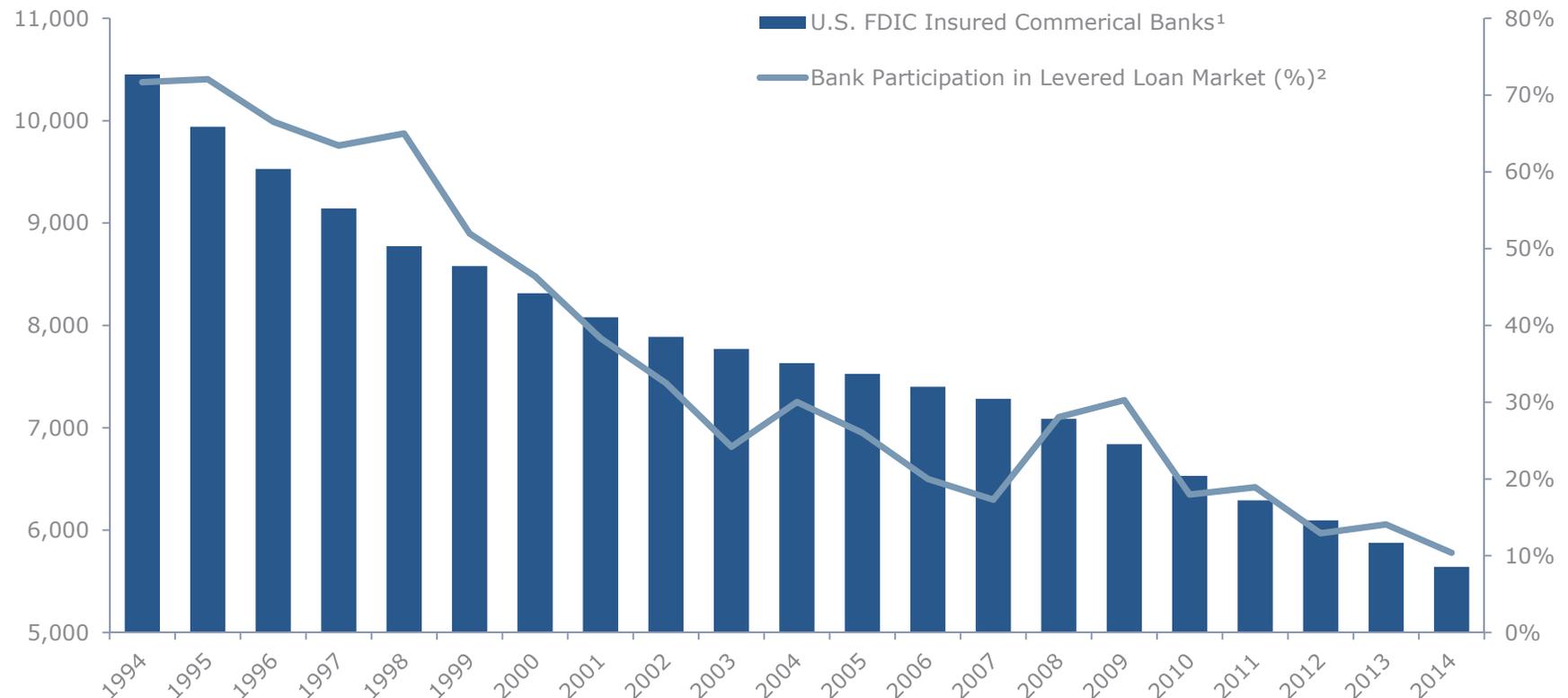
Number of Businesses by Market¹



1. U.S. Census Bureau, 2007 Economic Census.

Powerful Secular Trends

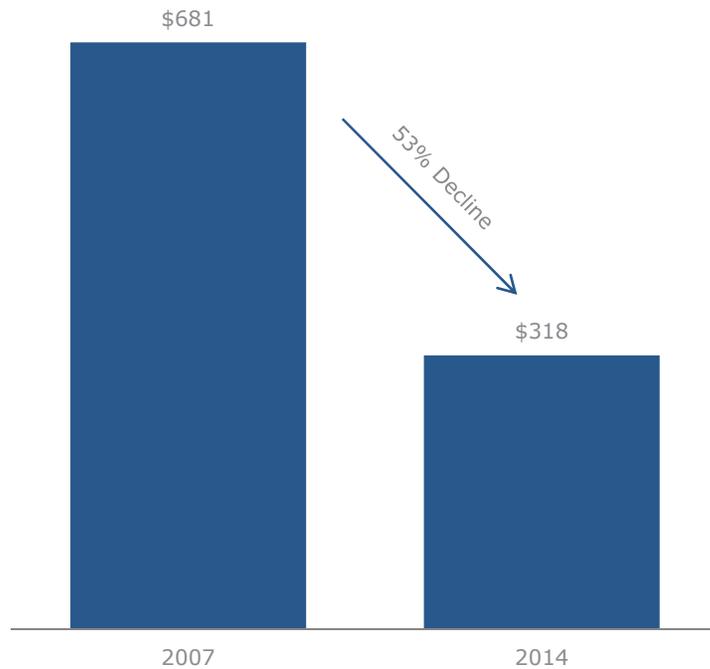
- Banks continue to shift toward large borrowers
- Regulatory environment is a headwind for banks in the middle-market



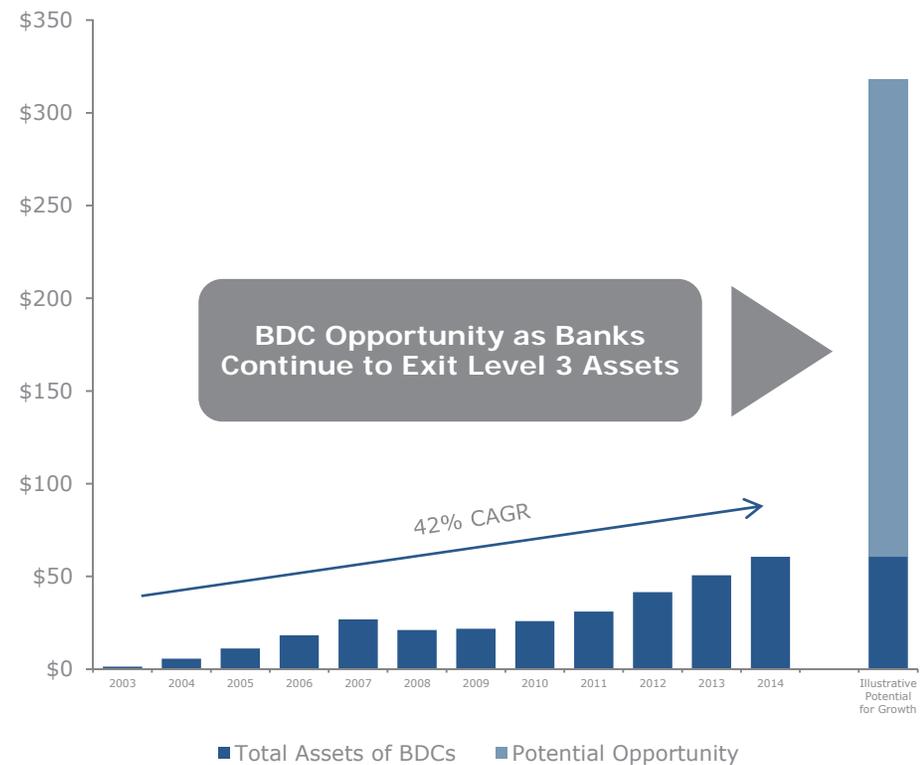
1. Federal Deposit Insurance Corporation, represents number of commercial banking institutions insured by the FDIC as of December 31, 2014.
 2. S&P LCD's Leveraged Lending Review - 4Q14.

Regulatory Pressure Continues for Banks

Level 3 Assets for Financial Firms ¹



Total Assets of Publicly Traded BDCs ²



1. Financial firms include: BAC, C, CS, DB, GS, JPM, MS, WFC, Bear Stearns, Countrywide Financial, Merrill Lynch & Washington Mutual. Metrics in billions of USD. Financial information for CS and DB as of September 30, 2014 and all other information as of December 31, 2014.

2. BDCs include: ACAS, ACSF, AINV, ARCC, BKCC, CMFN, CPTA, FDUS, FSC, FSIC, FSFR, GAIN, GARS, GBDC, GLAD, GSVC, HCAP, HRZN, HTCG, KCAP, KIPO, MAIN, MCC, MCGC, MRCC, MVC, NGPC, NMFC, OFS, PFLT, PNNT, PSEC, SAR, SCM, SLRC, SUNS, TCAP, TCPC, TCRD, TICC, TINY, TPVG, TSLX and WHF. Metrics in billions of USD. Total assets as of 12/31/2014, with the exception of MVC as of 7/31/2014.

MCC Financial Results

Performance Overview

- Quarterly dividend of \$0.30 per share for quarter ending 3/31/2015
- 12.4% portfolio yield as of 3/31/2015¹
- Gross investment originations of \$54.3 million for quarter ending 3/31/2015
- Total debt/credit facility commitments of \$771.0 million consisting of:
 - \$346.0 million revolving credit facility
 - \$171.5 million senior secured term loan
 - \$40.0 million of senior notes due 2019
 - \$63.5 million of senior notes due 2023
 - \$150.0 million of 10 year SBA debentures²
- At the quarter ending 12/31/2014, MCC's Board of Directors approved a \$30.0M share repurchase program
 - As of the quarter ending 3/31/2015, MCC had repurchased 825,677 shares totaling \$7.9M

1. Represents annualized 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 3/31/2015, we have \$65.0 million in regulatory capital which allows us to borrow up to \$130 million from SBA.

Financial & Portfolio Highlights

Financial Highlights

	3/31/15	12/31/14	9/30/14	6/30/14
Net investment income per share	\$ 0.30	\$ 0.35	\$ 0.37	\$ 0.41
Net realized gains (losses)	\$ (0.16)	\$ -	\$ (0.01)	\$ 0.02
Net unrealized gains (losses)	\$ 0.07	\$ (0.66)	\$ (0.18)	\$ (0.10)
Provision for taxes on unrealized per share	\$ (0.01)	\$ 0.00	\$ (0.02)	\$ -
Net income per share ¹	\$ 0.20	\$ (0.31)	\$ 0.16	\$ 0.33
Net asset value per share	\$ 11.68	\$ 11.74	\$ 12.43	\$ 12.65

Portfolio Highlights

- \$1,211.7 million total fair value of investments as of March 31, 2015
- \$54.3 million gross originations during quarter ended March 31, 2015
- \$227 million of backlog as of April 30, 2015²

Asset Mix by Investment Type

Asset Class	3/31/15	12/31/14	9/30/14	6/30/14
Senior Secured 1st Lien	62.3%	64.3%	64.5%	65.1%
Senior Secured 2nd Lien	30.4%	29.0%	28.8%	31.1%
Unsecured Debt	3.2%	3.1%	3.1%	2.2%
Equity/Warrants	4.1%	3.6%	3.6%	1.6%

Asset Mix by Rating

Rating	3/31/15	12/31/14	9/30/14	6/30/14
1	9.0%	7.1%	5.2%	4.0%
2	85.8%	89.1%	90.1%	88.1%
3	3.4%	2.5%	1.5%	6.3%
4	0.5%	-	-	1.2%
5	1.3%	1.3%	3.2%	0.4%

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)				
	3/31/15	12/31/14	9/30/14	6/30/14	
Net investment income per share - basic & diluted	\$ 0.30	\$ 0.35	\$ 0.37	\$ 0.41	
Net realized and unrealized gains per share - basic & diluted ¹	(0.10)	(0.66)	(0.17)	(0.08)	
GAAP EPS - basic & diluted ²	0.20	(0.31)	0.20	0.33	
Dividend declared per share	0.30	0.30	0.37	0.37	
Stockholders' equity	\$ 676.1	\$ 689.8	\$ 729.9	\$ 661.2	
Net asset value per share	11.68	11.74	12.43	12.65	
Market Capitalization ³	\$ 529.9	\$ 542.7	\$ 693.6	\$ 682.8	
Common stock data:					
High Price ⁴	\$ 9.72	\$ 11.79	\$ 13.29	\$ 13.83	
Low Price ⁴	8.70	8.84	11.78	12.30	
Closing Price	9.15	9.24	11.81	13.06	
Investments at fair value	\$ 1,211.7	\$ 1,222.7	\$ 1,245.5	\$ 1,043.0	
% Floating Rate ⁵	78.6%	74.5%	74.0%	65.9%	
% Fixed Rate ⁵	21.4%	25.5%	26.0%	34.1%	
Number of Portfolio Companies	72	76	79	74	
Gross originations for the quarter	\$ 54.3	\$ 93.9	\$ 299.4	\$ 206.8	
Realizations/amortizations for the quarter	63.4	80.2	89.5	117.4	
Net originations for the quarter	(9.1)	13.7	209.9	89.4	

Note: Basic and diluted per share data reflects weighted average common shares outstanding of 58,499,797 as of 3/31/2015, 58,733,284 as of 12/31/2014, 54,876,588 as of 9/30/2014, 50,503,492 as of 6/30/2014 and 43,883,259 as of 3/31/2014.

1. Inclusive of provision for taxes of \$705,405 for the quarter ended 3/31/2015, (\$210,950) for the quarter ended 12/31/2014, \$1,205,600 for the quarter ended 9/30/2014, \$69,687 for the quarter ended 6/30/2014 and \$316,858 for the quarter ended 3/31/2014.

2. May not foot due to rounding.

3. Reflects common shares outstanding of 57,907,607 and a closing price of \$9.15 as of 3/31/2015, 58,733,284 and a closing price of \$9.24 as of 12/31/2014, 58,733,284 and a closing share price of \$11.81 as of 9/30/2014, 52,283,712 and a closing share price of \$13.06 as of 6/30/2014 and 46,283,712 and a closing share price of \$13.61 as of 3/31/2014.

4. Reflects the high and low closing share price during the periods ended 3/31/2015, 12/31/2014, 9/30/2014, 6/30/2014 and 3/31/2014, respectively.

5. Based on income bearing investments

Balance Sheet

	As of			
	(dollars in thousands, except per share data)			
	3/31/15	12/31/14	9/30/14	6/30/14
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
ASSETS				
Investments at fair value				
Non-control/non-affiliate investments	\$ 1,164,170	\$ 1,162,864	\$ 1,185,859	\$ 1,033,052
Control investments	37,513	38,244	38,244	-
Affiliate investments	10,000	21,635	21,435	9,998
Total investments at fair value	1,211,683	1,222,743	1,245,538	1,043,050
Cash	29,146	41,814	36,731	17,113
Interest receivable	13,626	12,959	13,096	13,523
Deferred financing costs, net	11,044	11,389	11,688	10,965
Receivable for paydown of investments	4,573	7,651	14,290	15,175
Other assets	1,974	1,937	2,803	774
TOTAL ASSETS	\$ 1,272,046	\$ 1,298,493	\$ 1,324,146	\$ 1,100,600
LIABILITIES				
Revolving credit facility payable	\$ 194,000	\$ 216,000	\$ 146,500	\$ 85,583
Term loan payable	171,500	171,500	171,500	171,500
Notes payable	103,500	103,500	103,500	103,500
SBA debentures payable	110,000	100,000	100,000	48,000
Payable for investments originated, purchased and participated	-	-	54,995	15,897
Management and incentive fees payable, net	9,984	10,882	10,445	9,767
Interest and fees payable	1,196	1,843	2,096	1,347
Accounts payable, accrued expenses and other liabilities	5,771	4,958	5,253	3,774
TOTAL LIABILITIES	\$ 595,951	\$ 608,683	\$ 594,289	\$ 439,368
NET ASSETS				
Common stock, par value \$.001 per share, 100,000,000 common shares authorized, 57,907,607 common shares issued and outstanding as of March 31, 2015	58	59	59	52
Capital in excess of par value	731,514	739,443	739,443	665,420
Accumulated undistributed net investment income	20,517	20,333	21,674	15,169
Accumulated undistributed net realized gain (loss) from investments	(9,617)	(217)	-	887
Net unrealized appreciation (depreciation) on investments	(66,377)	(69,808)	(31,319)	(20,296)
Total net assets	676,095	689,810	729,857	661,232
TOTAL LIABILITIES AND NET ASSETS	\$ 1,272,046	\$ 1,298,493	\$ 1,324,146	\$ 1,100,600
NET ASSET VALUE PER SHARE	\$ 11.68	\$ 11.74	\$ 12.43	\$ 12.65

Corporate Information

Board of Directors

BROOK TAUBE
Chairman & Chief Executive Officer

SETH TAUBE
Director

JEFF TONKEL
Director

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

Research Coverage

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Independent Registered Public Accounting Firm

ERNST & YOUNG, LLP
New York, NY

Securities Listing

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

Transfer Agent

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