

MEDLEY
CAPITAL CORPORATION

Quarter Ended
March 31, 2013
Investor Presentation

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Financial & Portfolio Highlights

Financial Highlights

	Q2-13	Q1-13	Q4-12	Q3-12	Q2-12
Net investment income per share	\$ 0.36	\$ 0.39	\$ 0.36	\$ 0.36	\$ 0.31
Net realized gains (losses)	0.01	0.01	(0.01)	-	-
Net unrealized gains (losses)	0.03	(0.01)	0.02	(0.08)	0.03
Net income per share	0.40	0.39	0.37	0.28	0.34
Net asset value per share	12.73	12.69	12.52	12.60	12.63

Portfolio Highlights

- \$594.2M total fair value of investments as of March 31, 2013
- \$123.2M gross originations during quarter ended March 31, 2013
- \$139.5M of backlog¹ as of May 1, 2013

Asset Mix by Asset Class

	03/31/13	12/31/12	09/30/12	06/30/12	03/31/12
Senior Secured 1st Lien	61.0%	64.9%	59.6%	55.2%	59.8%
Senior Secured 2nd Lien	33.6%	34.1%	38.6%	43.5%	39.0%
Equity/Other	0.7%	0.7%	0.6%	0.5%	0.6%
Cash and Equivalents	4.7%	0.3%	1.2%	0.8%	0.6%

Asset Mix by Rating

Rating	03/31/13	12/31/12	09/30/12	06/30/12	03/31/12
1	5.0%	4.4%	4.3%	6.6%	8.8%
2	86.1%	87.5%	88.2%	88.4%	87.9%
3	8.9%	8.1%	7.5%	5.0%	3.3%
4	-	-	-	-	-
5	-	-	-	-	-

1. 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)				
	3/31/2013	12/31/2012	9/30/2012	6/30/2012	3/31/2012
Net investment income per share - basic & diluted	\$ 0.36	\$ 0.39	\$ 0.36	\$ 0.36	\$ 0.31
Net realized and unrealized gains per share - basic & diluted	0.04	-	0.01	(0.08)	0.03
GAAP EPS - basic & diluted	0.40	0.39	0.37	0.28	0.34
Dividend declared per share	0.36	0.36	0.36	0.36	0.31
Stockholders' equity	\$ 365.5	\$ 363.7	\$ 289.3	\$ 218.2	\$ 218.7
Net asset value per share	12.73	12.69	12.52	12.60	12.63
Market Capitalization ¹	\$ 454.9	\$ 417.3	\$ 325.2	\$ 208.5	\$ 195.2
Common stock data:					
High Price ²	\$ 16.15	\$ 14.62	\$ 14.36	\$ 12.04	\$ 11.86
Low Price ²	14.46	12.99	11.91	10.72	10.17
Closing Price	15.85	14.56	14.07	12.04	11.27
Investments at fair value	\$ 594.2	\$ 520.7	\$ 401.9	\$ 363.1	\$ 306.3
% Fixed Rate	49.9%	56.1%	53.8%	57.3%	56.4%
% Floating Rate	44.6%	42.9%	44.3%	41.2%	42.4%
% Equity and other non-interest earning	0.8%	0.7%	0.7%	0.6%	0.6%
% Cash & cash equivalents	4.7%	0.3%	1.2%	0.9%	0.6%
Number of Portfolio Companies	51	46	38	34	30
Gross originations for the quarter	\$ 123.2	\$ 133.2	\$ 81.5	\$ 67.5	\$ 69.2
Realizations/amortizations for the quarter	\$ 53.0	\$ 16.8	\$ 44.3	\$ 10.3	\$ 12.9
Net originations for the quarter	\$ 70.2	\$ 116.4	\$ 37.2	\$ 57.2	\$ 56.3
Backlog	\$ 139.5	\$ 99.0	\$ 104.0	\$ 80.0	\$ 78.0
Non-accrual investments	-	-	-	-	-

1. Reflects common shares outstanding of 28,703,397 and a closing share price of \$15.85 as of 3/31/13, 28,662,049 and a closing share price of \$14.56 as of 12/31/12, 23,110,242 and a closing share price of \$14.07 as of 9/30/12 and 17,320,468 and a closing share price of \$12.04 and \$11.27 as of 6/30/12 and 3/31/12, respectively.

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

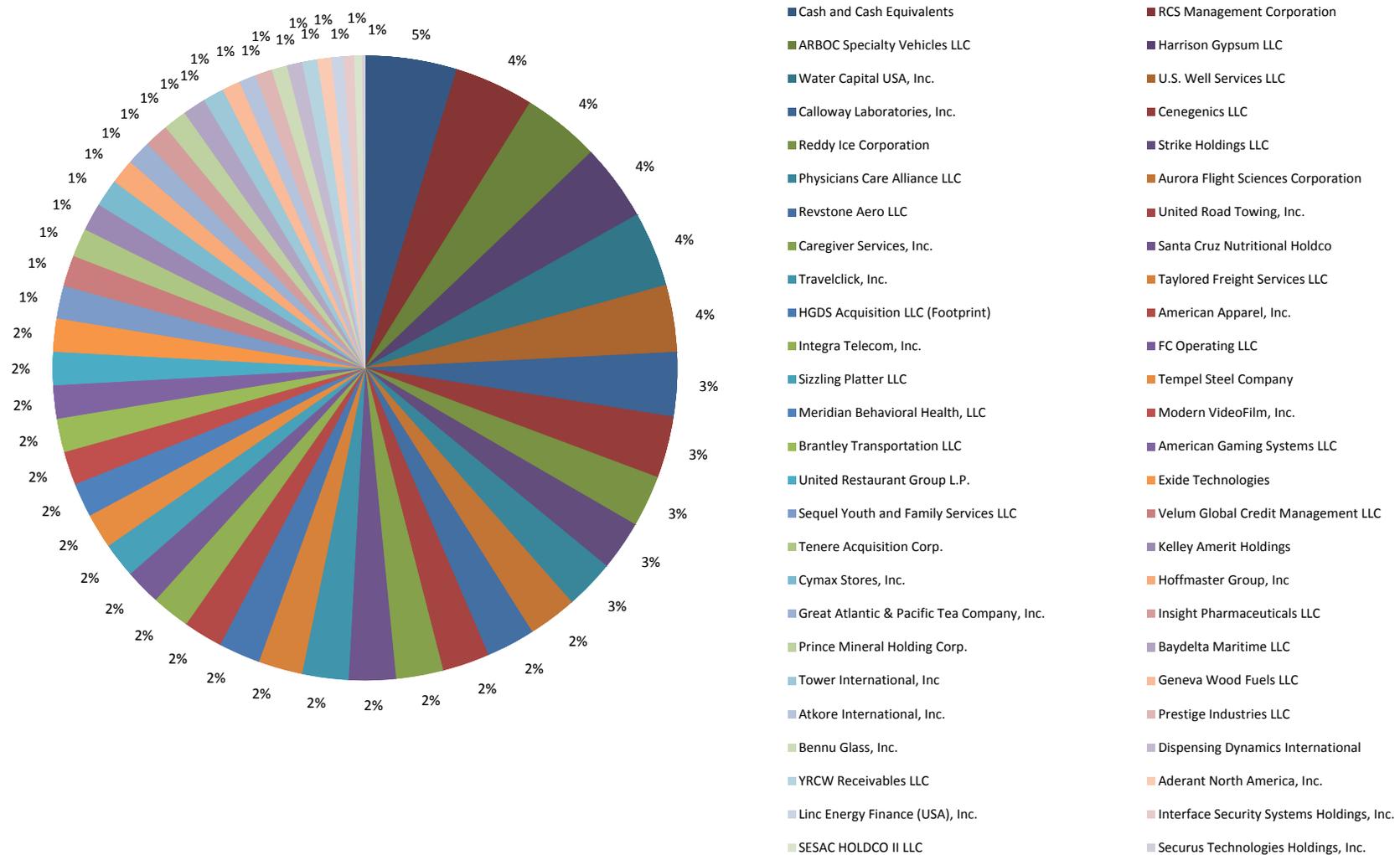
Note: Basic and diluted per share data reflects weighted average common shares outstanding of 28,669,859 as of 3/31/13, 24,767,375 as of 12/31/12, 19,702,818 as of 9/30/12 and 17,320,468 as of 6/30/12 and 3/31/12.

Balance Sheet

(dollars in thousands, except per share data)

	<u>3/31/2013</u> (Unaudited)	<u>12/31/2012</u> (Unaudited)	<u>9/30/2012</u> (Audited)	<u>6/30/2012</u> (Unaudited)	<u>3/31/2012</u> (Unaudited)
ASSETS					
Investments at fair value					
Non-control/non-affiliate investments	\$ 585,282	\$ 512,261	\$ 393,741	\$ 355,035	\$ 260,364
Affiliate investments	8,881	8,433	8,208	8,059	45,894
Total investments at fair value	<u>594,163</u>	<u>520,694</u>	<u>401,949</u>	<u>363,094</u>	<u>306,258</u>
Cash and cash equivalents	29,660	1,667	4,894	3,120	1,937
Interest receivable	7,022	6,079	3,940	3,277	2,481
Deferred financing costs, net	7,599	5,526	4,652	2,962	2,968
Other assets	<u>1,402</u>	<u>603</u>	<u>336</u>	<u>328</u>	<u>353</u>
TOTAL ASSETS	<u>\$ 639,846</u>	<u>\$ 534,569</u>	<u>\$ 415,771</u>	<u>\$ 372,781</u>	<u>\$ 313,997</u>
LIABILITIES					
Revolving credit facility payable	\$ 26,100	\$ 44,000	\$ 15,000	\$ 108,700	\$ 50,900
Term loan payable	105,000	80,500	55,000	-	-
Notes payable	103,500	40,000	40,000	40,000	40,000
Payable for investments purchased	30,741	-	10,212	-	-
Management and incentive fees payable, net	5,133	4,500	3,515	3,050	2,591
Interest and fees payable	1,655	293	1,048	1,211	332
Accounts payable, accrued expenses and other liabilities	<u>2,236</u>	<u>1,528</u>	<u>1,657</u>	<u>1,649</u>	<u>1,474</u>
TOTAL LIABILITIES	<u>\$ 274,365</u>	<u>\$ 170,821</u>	<u>\$ 126,432</u>	<u>\$ 154,610</u>	<u>\$ 95,297</u>
NET ASSETS					
Common stock, par value \$.001 per share, 100,000,000 common shares authorized, 28,703,397 common shares issued and outstanding as of March 31, 2013	29	29	23	17	17
Capital in excess of par value	358,651	358,123	285,012	214,510	214,510
Accumulated undistributed net investment income	6,935	6,857	5,560	5,079	4,240
Accumulated net realized gain (loss) from investments	329	177	(45)	149	164
Net unrealized appreciation (depreciation) on investments	<u>(463)</u>	<u>(1,438)</u>	<u>(1,211)</u>	<u>(1,584)</u>	<u>(231)</u>
Total net assets	<u>365,481</u>	<u>363,748</u>	<u>289,339</u>	<u>218,171</u>	<u>218,700</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 639,846</u>	<u>\$ 534,569</u>	<u>\$ 415,771</u>	<u>\$ 372,781</u>	<u>\$ 313,997</u>
NET ASSET VALUE PER SHARE	<u>\$ 12.73</u>	<u>\$ 12.69</u>	<u>\$ 12.52</u>	<u>\$ 12.60</u>	<u>\$ 12.63</u>

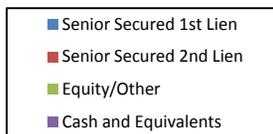
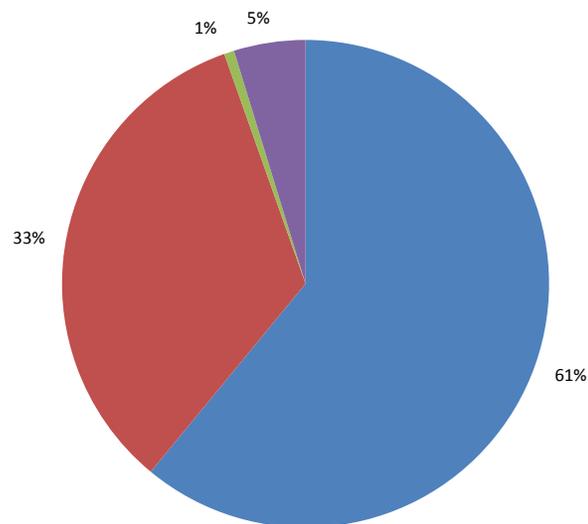
Portfolio by Issuer as of March 31, 2013¹



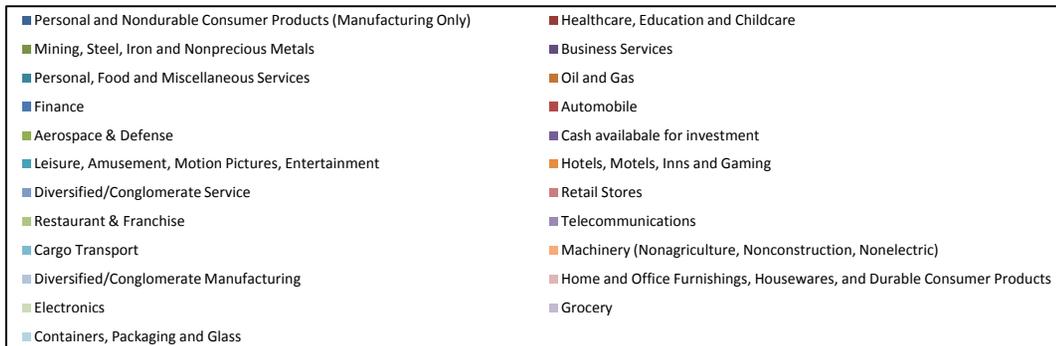
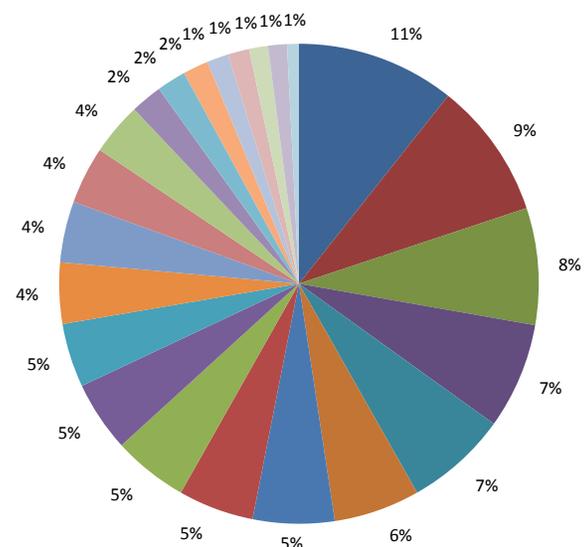
1. Reflects \$623.8M of investments at fair value and cash and cash equivalents.

Investment Portfolio as of March 31, 2013¹

Asset Class



Industry



1. Reflects \$623.8M of investments at fair value and cash and cash equivalents.

Performance Overview

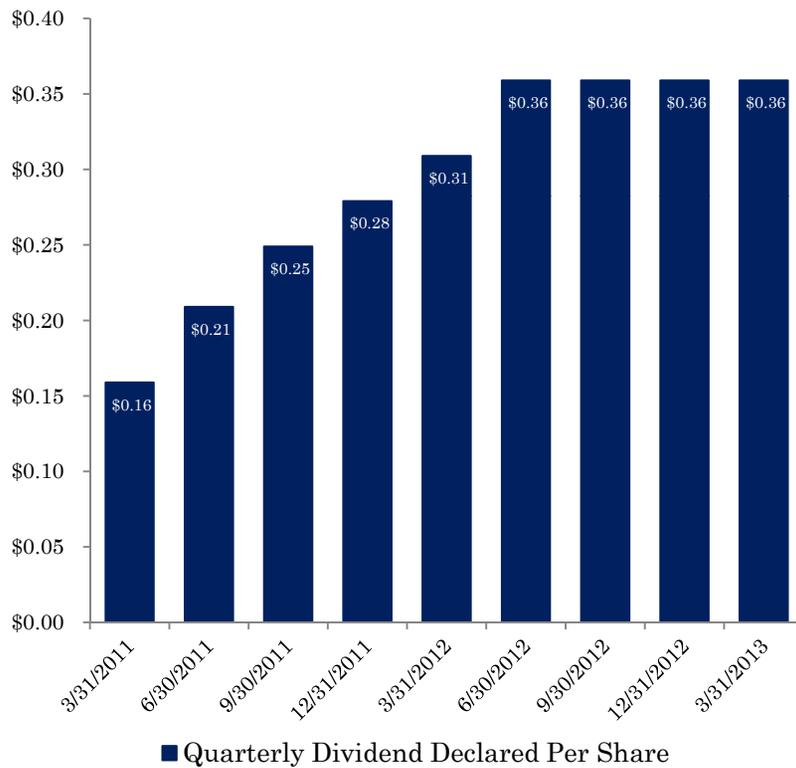
- Consistent quarterly dividend (\$0.36 for quarter ending 3/31/13)
- Diversified portfolio with no assets on non-accrual and a weighted average loan-to-value (through MCC's debt) of 54.7%
- 13.9% portfolio yield as of 3/31/13¹
- FY Q2 2013 gross investment originations of \$123.2 million
- Completed 4.5 million share equity offering in April 2013 for net proceeds of \$63.2 million
- Total debt/credit facility commitments of \$598.5 million² consisting of:
 - \$230 million revolving credit facility priced at L+3.25%, maturing August 2016
 - \$115 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.

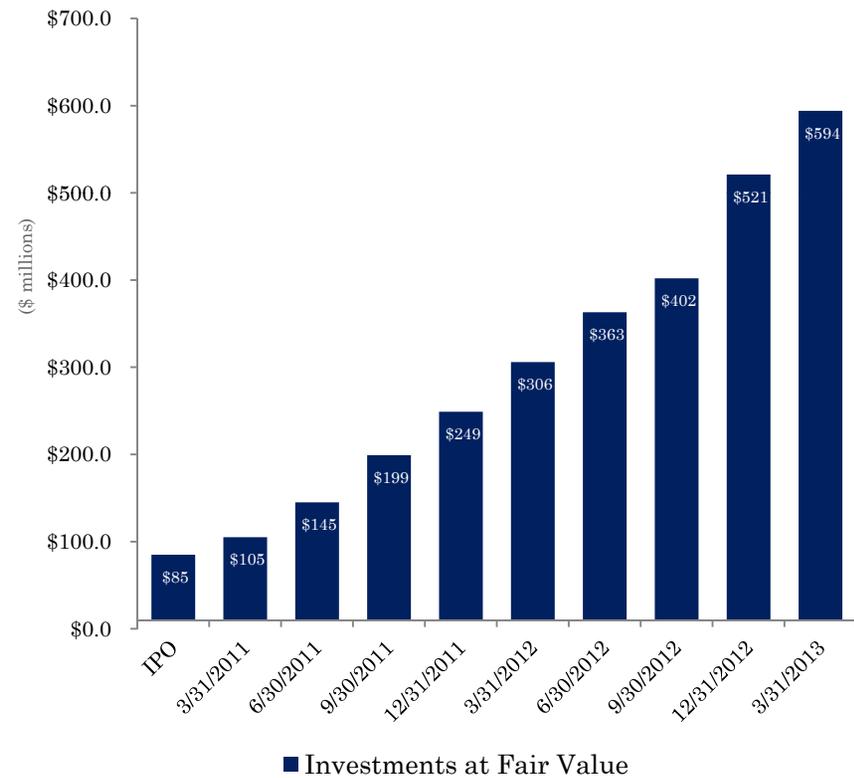
2. SBA regulations currently limit the amount that we may borrow to a maximum of \$150 million based upon at least \$75 million in regulatory capital. As of May 2, 2013, we have \$50.0 million in regulatory capital which allows us to borrow up to \$100 million from SBA.

Performance Since IPO

Dividend Growth



Portfolio Growth



Transaction & Backlog Summary

Deal	Sector	Security	\$Amount ¹	Fixed/Floating	Tenor	Yield ²
Closed in Q1 FY13						
Calloway Laboratories, Inc.	Healthcare, Education and Childcare	Senior - 1st lien	\$1.7	Fixed	1.8 years	14.1%
RCS Management Corporation	Diversified/Conglomerate Service	Senior - 2nd lien	6.0	Floating	2.7 years	14.0%
Linc Energy Finance (USA), Inc.	Oil and Gas	Senior - 1st lien	3.4	Fixed	4.8 years	13.9%
American Gaming Systems LLC	Hotels, Motels, Inns and Gaming	Senior - 1st lien	0.6	Floating	3.6 years	12.6%
Meridian Behavioral Health LLC	Healthcare, Education and Childcare	Senior - 1st lien	0.8	Fixed	3.9 years	14.8%
Taylor Freight Services LLC	Business Services	Senior - 2nd lien	14.0	Floating	4.8 years	13.6%
Exide Technologies	Machinery (Nonagriculture, Nonconstruction, Nonelectronic)	Senior - 1st lien	2.0	Fixed	5.1 years	12.6%
U.S. Well Services, LLC	Oil and Gas	Senior - 1st lien	3.2	Fixed	4.1 years	14.9%
FC Operating LLC	Retail Stores	Senior - 1st lien	11.5	Floating	4.9 years	12.8%
Checkers Drive-In	Restaurant & Franchise	Senior - 1st lien	3.0	Fixed	4.9 years	11.0%
Sizzling Platter LLC	Restaurant & Franchise	Senior - 1st lien	1.7	Fixed	3.3 years	12.7%
Prince Mineral Holding Corp.	Mining, Steel, Iron and Nonprecious Metals	Senior - 1st lien	6.7	Fixed	7.0 years	12.0%
Tenere Acquisition Corp.	Diversified/Conglomerate Manufacturing	Senior - 1st lien	9.0	Fixed	5.0 years	14.2%
Aderant North America, Inc.	Electronics	Senior - 2nd lien	4.6	Floating	6.5 years	11.5%
Cenegenics LLC	Personal, Food and Miscellaneous Services	Senior - 1st lien	20.0	Fixed	5.0 years	13.1%
Harrison Gypsum LLC	Mining, Steel, Iron and Nonprecious Metals	Senior - 1st lien	24.6	Floating	5.0 years	11.2%
Physicians Care Alliance LLC	Personal and Nondurable Consumer Products	Senior - 1st lien	15.7	Fixed	5.0 years	11.8%
Dispensing Dynamics Intl.	Personal and Nondurable Consumer Products	Senior - 1st lien	4.7	Fixed	5.0 years	12.4%
			Closed Q1 FY13:	\$133.2		
Closed in Q2 FY13						
Interface Security Systems	Electronics	Senior - 1st lien	\$3.3	Fixed	5.0 years	9.5%
U.S. Well Services, LLC	Oil and Gas	Senior - 1st lien	5.0	Fixed	3.9 years	15.3%
Sizzling Platter LLC	Restaurant & Franchise	Senior - 1st lien	5.9	Fixed	2.2 years	12.4%
American Gaming Systems LLC	Hotels, Motels, Inns and Gaming	Senior - 1st lien	0.6	Floating	3.4 years	12.2%
Securus Technologies Holdings, Inc.	Telecommunications	Senior - 2nd lien	0.9	Floating	5.2 years	11.2%
SESAC Holdco II	Business Services	Senior - 2nd lien	2.5	Floating	6.3 years	11.3%
Flexera Software	Electronics	Senior - 1st lien	8.5	Floating	6.0 years	5.0%
Integra Telecom	Telecommunications	Senior - 2nd lien	12.1	Floating	7.0 years	10.5%
ARBOC Specialty Vehicles LLC	Automobile	Senior - 1st lien	25.0	Floating	5.0 years	14.7%
Calloway Laboratories, Inc.	Healthcare, Education and Childcare	Senior - 1st lien	0.8	Fixed	1.5 years	14.3%
Travelclick, Inc.	Hotels, Motels, Inns and Gaming	Senior - 2nd lien	15.0	Floating	5.0 years	10.4%
HGDS Acquisitions	Business Services	Senior - 1st lien	13.5	Floating	5.0 years	17.6%
Geneva Wood Fuels LLC	Personal and Nondurable Consumer Products	Senior - 1st lien	0.5	Fixed	1.8 years	16.3%
American Apparel, Inc.	Retail Stores	Senior - 1st lien	12.6	Fixed	7.1 years	13.9%
Reddy Ice Corporation	Personal and Nondurable Consumer Products	Senior - 2nd lien	17.0	Floating	6.5 years	11.6%
			Closed Q2 FY13:	\$123.2		
			Total YTD FY13	\$256.4		
Backlog³						
Deal 1	Online Services	Senior - 1st Lien	\$25.0	Floating	5 years	13.6%
Deal 2	Manufacturing	Senior - 2nd Lien	25.0	Fixed	5 years	14.2%
Deal 3	Document Capture Hardware	Senior - 1st Lien	37.5	Floating	5 years	14.5%
Deal 4	Personal Care Products	Senior - 1st Lien	12.0	Fixed	6 years	15.4%
Deal 5	Financial Services	Senior - 2nd Lien	15.0	Floating	4.5 years	15.1%
Deal 6	Consumer Retail	Senior - 2nd Lien	25.0	Fixed	5.5 years	14.7%
			Total Backlog:	\$139.5		

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
Managing Partner

SETH TAUBE
Managing Partner

KARIN HIRTLE-GARVEY
Independent Director

JOHN E. MACK
Independent Director

ARTHUR AINSBERG
Independent Director

RICHARD A. DORFMAN
Independent Director

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BROOK TAUBE
Chairman & Chief Executive Officer

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

Investment Committee

BROOK TAUBE
Chairman & Chief Executive Officer

ANDREW FENTRESS
Managing Partner

SETH TAUBE
Managing Partner

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New York, NY

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Securities Listing

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

Transfer Agent

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