

INVESTOR RELATIONS

Tax Characterization of 2008 Dividends

Information on 2008 distributions paid by Patriot Capital Funding, Inc. (NasdaqGS: PCAP) is provided below.

<u>Record Date</u>	<u>Payment Date</u>	<u>Total Paid Per Share</u>	<u>-- Ordinary Income Per Share --</u>		<u>Return of Capital Per Share (2)</u>	
			<u>Non-Qualified</u>	<u>Qualified (1)</u>		
March 14, 2008	April 16, 2008	\$ 0.33	\$0.3155	\$0.0000	\$0.0145	
June 5, 2008	July 16, 2008	0.33	0.3155	0.0000	0.0145	
September 12, 2008	October 15, 2008	0.33	0.3155	0.0000	0.0145	
December 22, 2008	January 15, 2009	0.25	0.2390	0.0000	0.0110	
		<u>Total</u>	<u>\$ 1.24</u>	<u>\$1.1855</u>	<u>\$0.0000</u>	<u>\$0.0545</u>
		<u>% of Total Distributions Paid Per Share</u>	<u>100.0000%</u>	<u>95.5991%</u>	<u>0.0000%</u>	<u>4.4009%</u>

(1) The Company hereby designates these distributions as amounts eligible for treatment as qualified dividend income in accordance with IRC Section 854(b) as well as eligible for the dividends received deduction available to certain U.S. domestic corporations.

(2) The Company hereby designates these distributions as return of capital. Return of capital refers to amounts reported as non-taxable distributions. To the extent that the total amount of distributions exceed taxable earnings, the excess is considered a return of capital for tax purposes.

PCAP's 2008 dividends included approximately \$1.19 per share as a distribution of ordinary income. There were no qualified dividends and no capital gain distributions.

PCAP reports the actual tax characteristics of each year's dividends annually to stockholders on Form 1099-DIV.