



TRIANGLE
CAPITAL
CORPORATION

Triangle Capital Corporation

NASDAQ Symbol: "TCAP"

Morgan Keegan Equity Conference
September 6, 2007

“Safe Harbor”

Statement under the Private Securities Litigation Reform Act of 1995: This presentation contains forward-looking statements concerning our goals, beliefs, strategies, future operating results and underlying assumptions. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including those described under the caption “Special Note Regarding Forward-Looking Statements” which are detailed in our filings with the SEC. We undertake no obligation to update the information contained in this presentation to reflect subsequently occurring events or circumstances. This presentation contains non-GAAP measures.

COMPANY & INDUSTRY OVERVIEW

Garland S. Tucker, III

Chief Executive Officer

Company Overview

- ◆ Pure-play lower middle market BDC (IPO in February 2007)
- ◆ Typical investment size = \$5MM to \$15MM
- ◆ Invest primarily in debt and equity securities
- ◆ 2Q 2007 annualized dividend = \$1.04 per share
- ◆ Corporate headquarters: Raleigh, NC
- ◆ Current assets under management ≈ \$215MM

*Our goal is to be the premier provider of capital
to lower middle market companies*

Key Investment Considerations

- ◆ Attractive business model
 - Recurring revenue stream
 - High operating leverage drives net investment income (NII)
- ◆ Seasoned investment team
 - Seven transaction professionals
 - Over 135 years of advising, investing and operating experience
- ◆ Attractive lower middle market focus
 - Less transaction competition
 - Higher transaction IRRs
- ◆ Weighted average yield on portfolio is 14.2% vs. industry average of 12.1%
 - Seasoned investment portfolio
- ◆ Strong capital structure
 - Low cost, long term SBA debt (10 years) \approx 5.80% coupon
 - Lower cost of debt reduces WACC and increases NII

BDC Industry Overview

- ◆ Business Development Companies (“BDCs”) are uniquely positioned financing vehicles
 - Created by congress to promote investments in privately held companies
 - In 1997 there were 3 BDCs
 - Currently there are 25 BDCs
- ◆ BDCs function as tax-advantaged, pass-through entities
 - No corporate taxation
 - Greater than 90% of earnings are passed to shareholders in the form of dividends
- ◆ BDCs are low risk way to participate in private equity
 - Similarities: business scope, equity upside, lean staffing models
 - Differences: perpetual funding, recurring revenue, lower cost of capital

Why The Lower Middle Market Is Attractive

- ◆ Over 65,000 lower middle market companies in the United States with revenues between \$10MM and \$100MM
 - Approximately 90% are privately held
 - Significant financing needs
- ◆ Highly fragmented financing market
 - Underserved by commercial and investment banks
 - Offers superior risk-adjusted returns
- ◆ Less competitive pricing environment
 - Relationships matter
 - Certainty of closing is extremely important

One-stop financing sources maintain competitive advantages in the market

Numerous Transaction Opportunities

- ◆ Acquisitions
- ◆ Growth/Expansion
- ◆ Recapitalizations
- ◆ Management Buyouts
- ◆ Generational Transfers
- ◆ Change of Control
- ◆ Working Capital Support
- ◆ “Special Situations”

Portfolio Overview

- ◆ Approximately \$115MM capital invested since inception
 - Existing portfolio = \$90MM invested across 23 portfolio companies
- ◆ 21 investments have equity upside
- ◆ Current weighted average debt yield = 14.2%
- ◆ Excellent portfolio diversification across multiple industries and geographies
 - No significant industry overlap or concentration
 - Average portfolio investment = 3.0% of investable assets
 - Largest portfolio investment = 9.8% of investable assets

Investment Criteria

Established Companies with Positive Cash Flow

- ◆ \$2.0MM to \$10MM of LTM EBITDA
- ◆ Do not invest in start-up companies or companies in distressed situations

Seasoned Management Teams

- ◆ Relevant industry experience
- ◆ Management teams with meaningful equity stakes

Strong Competitive Position in Industry

- ◆ Well positioned for growth opportunities
- ◆ Operate businesses in industries with barriers to entry
- ◆ Competitive advantages – protect market position and profitability

Diversified Customer Supplier Base

- ◆ Better positioned for economic downturns
- ◆ Increased ability to endure industry consolidation
- ◆ Can adapt to changing business conditions

Significant Invested Capital

- ◆ Underlying enterprise value
- ◆ Sufficient value beyond the layer of the capital structure in which we invest to provide a reasonable assurance of recovery for our debt investments

Significant Events: IPO to Present

- ◆ Successfully invested over 50% of IPO proceeds
 - 5 successful transaction closings
 - Average commitment size = \$6.9MM

- ◆ Dividend growth pacing ahead of expectations
 - June 2007 dividend of \$0.15 / share
 - September 2007 dividend of \$0.26 / share
 - Equates to annualized dividend of \$1.04 / share

- ◆ Expanded operational team
 - Managing director
 - Principal accounting officer
 - Analyst

Recent Transaction Closing – Equisales

Location: Houston, TX

Initial funding date: April 18, 2007

Debt maturity: 5 years from closing

Company Description: Provider of time sensitive inventory and replacement products to independent power producers and companies in the utility sector

Instrument: Subordinated note and equity

Investment amount: \$6.5MM

Use of proceeds: Buyout

Return expectations:

- ◆ Current interest rate = 15.0%
- ◆ 9.0% equity ownership provides potential for return upside



Transaction sourced by TCAP independent director

FINANCIAL OVERVIEW

Steven C. Lilly

Chief Financial Officer

Overall Financial Goals

- ◆ Maintain prudent credit profile
 - Opportunistic use of leverage to enhance shareholder returns
 - Use low cost SBA leverage to increase NII
- ◆ Establish excellent dividend reputation
 - Long term, steadily increasing dividend
 - Harvest capital gains when possible
- ◆ Maintain disciplined cost controls
 - Take advantage of fixed cost operational structure
 - Enable asset growth to outpace SG & A growth

Strong Liquidity Position

	At June 30, 2007	
	(\$ in thousands)	
	Actual	Pro Forma ⁽¹⁾
Cash	\$45,000	\$40,000
Available SBA Debt	50,000	50,000
Total Liquidity	<u>\$95,000</u>	<u>\$90,000</u>
NAV / Share	\$13.75	
Cash / Share	\$6.71	
Total Leverage	0.39x	

(1) Pro Forma cash position as of September 4, 2007, based on transactions closed since June 30, 2007.

High Quality Portfolio

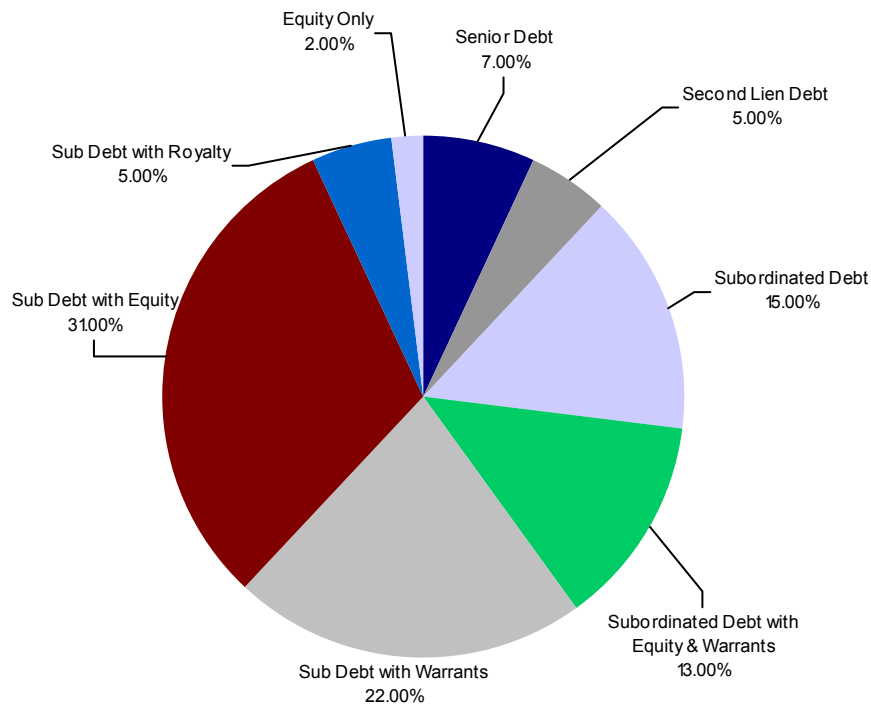
- ◆ Key portfolio characteristics
 - Industry leading yield
 - 90% debt investments; 10% equity investments
 - Excellent credit metrics
 - Significant diversification

Key Portfolio Statistics	<u>TCAP</u>	<u>Peer / Industry Average</u> ⁽¹⁾
Total debt yield	14.2%	12.1%
Median total leverage	3.4x	4.4x
Weighted average IRRs	26.3%	18.5%
Non-accrual / work-out assets	Zero	4.3%

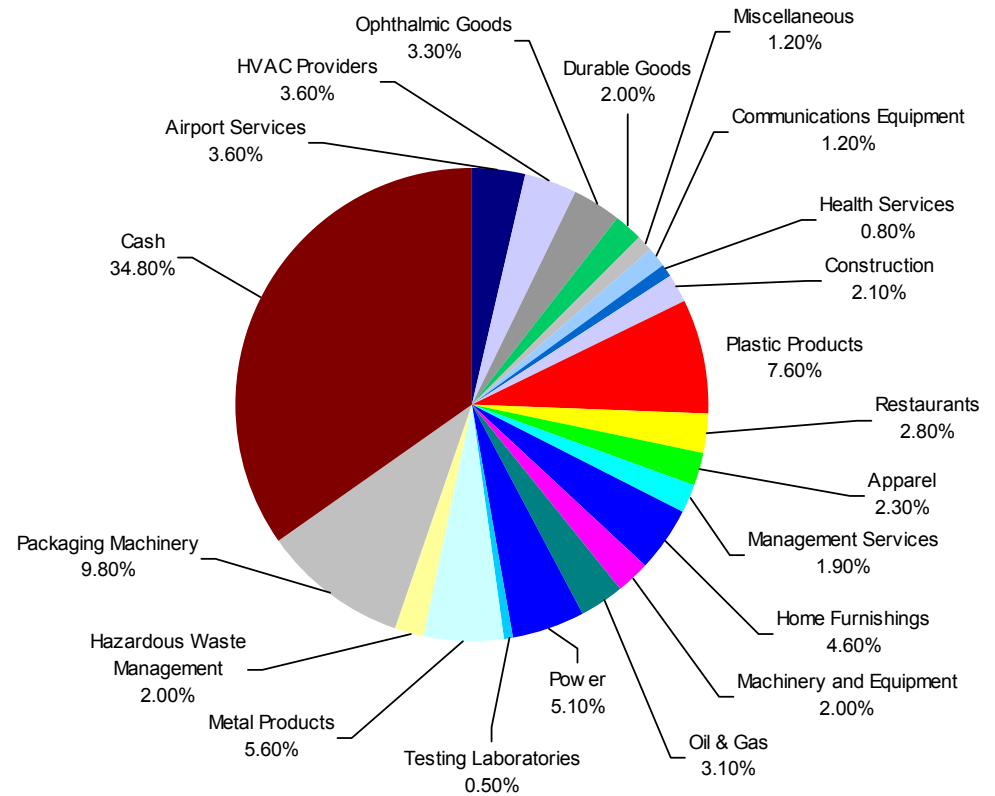
(1) Industry average yield based on Morgan Keegan research as of 2Q 07; Median leverage according to Standard & Poors lower middle market analysis as of 1Q 07; weighted average IRR based on ACAS and ALD information as of 2Q 07; non-accrual assets based on average of internally managed BDCs as of 2Q 07.

High Quality, Diversified Portfolio

Investment Structures⁽¹⁾



Portfolio Company Diversification⁽¹⁾



(1) As of June 30, 2007.

June 30, 2007 Results & Pro Forma Analysis

	At June 30, 2007	
	(\$ in thousands)	
	Actual	Pro Forma ⁽¹⁾
Total investment income	\$3,287	\$13,500
SBA interest expense	(\$549)	(\$2,200)
SG&A expense	(\$1,094)	(\$4,400)
Net investment income	\$1,644	\$6,900
Total net gain on investments	\$586	\$2,000
Net increase in net assets from operations	\$2,230	\$8,900
Annualized NII yield ⁽²⁾	7.18%	7.55%

(1) Pro forma results are annualized 2Q 2007 investment results including recently announced transaction closings and adjusting SBA interest expense and SG&A expenses for a full year of operations.

(2) Annualized yield based on closing stock price as of August 31, 2007, utilizing 2Q 2007 shares outstanding.

Future Growth Drivers

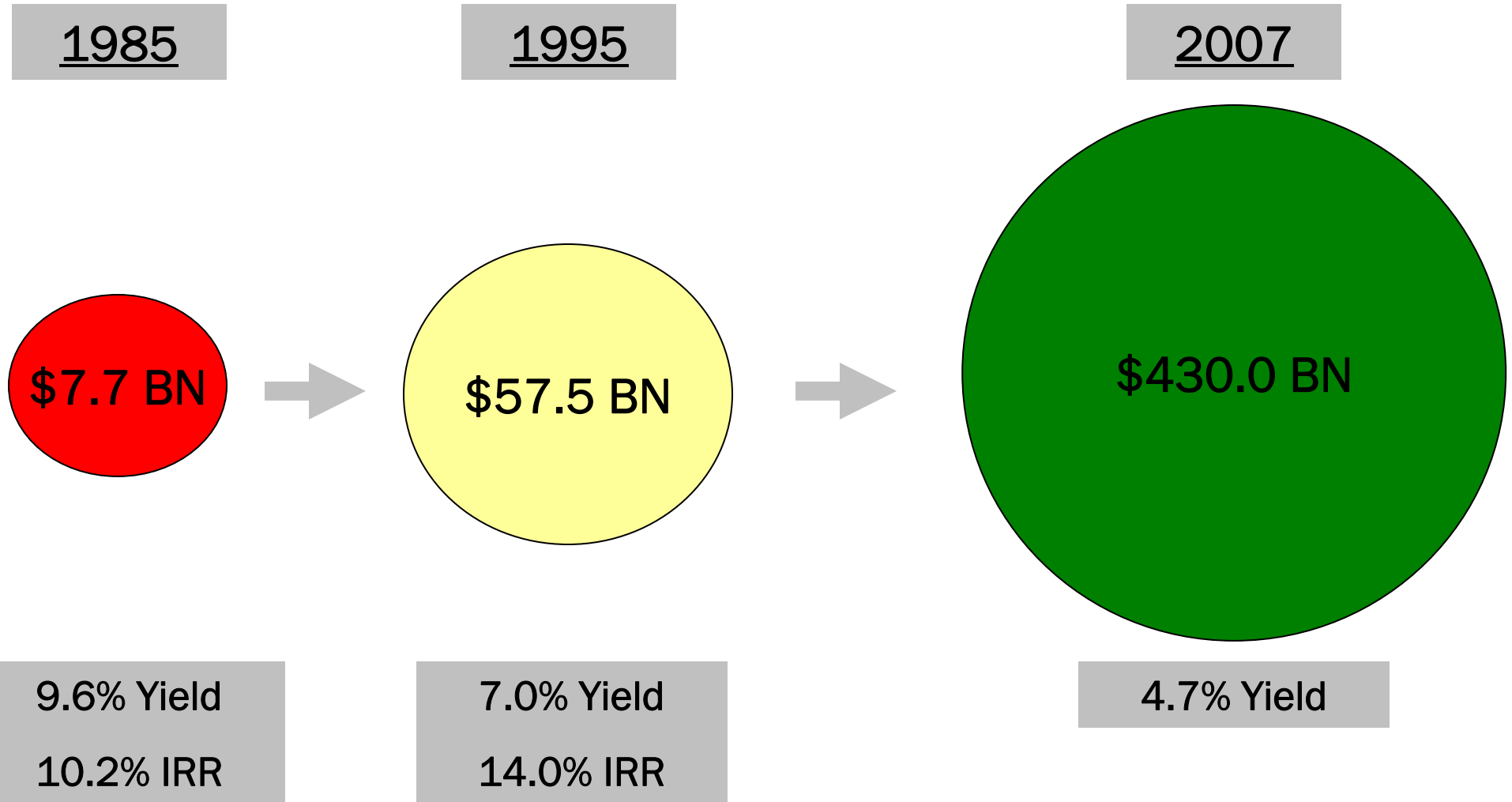
- ◆ Consistent, proactive marketing efforts
 - Maintain continuous contact with sponsors, bankers, advisors, etc.

- ◆ Maintain healthy transaction pipeline
 - Current period of market volatility is good for us
 - Improved ability to negotiate favorable transaction terms
 - Reduced competition

- ◆ Focus on yield enhancing opportunities
 - Upfront fees, amendment fees, PIK interest
 - 2006 total fee/dividend income = \$479M; YTD 2007 = \$355M

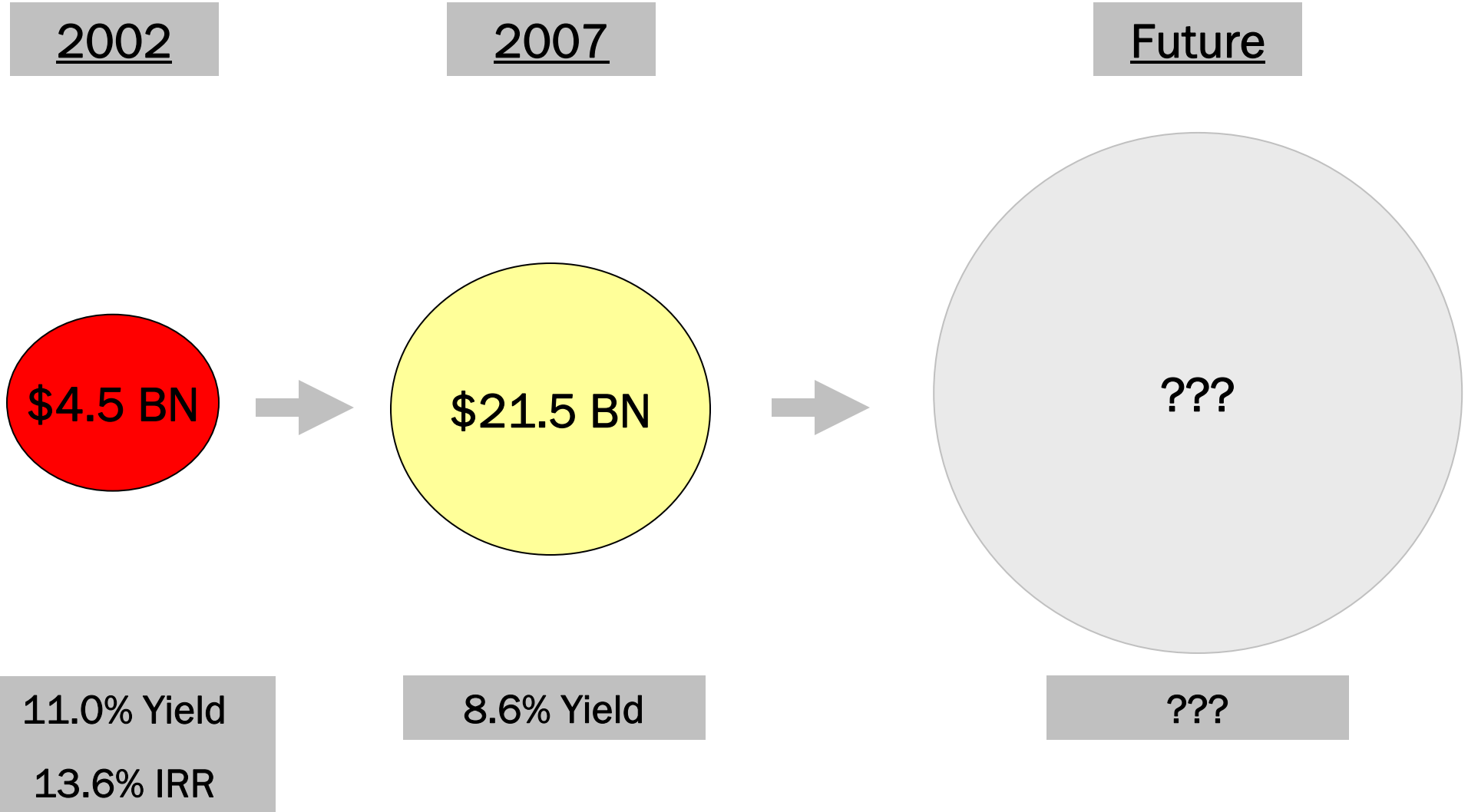
- ◆ Provide creative, value-added services to portfolio companies
 - Operational and strategic expertise
 - Investment banking advice
 - Capital

Investment Returns: Historical REIT Industry Analysis



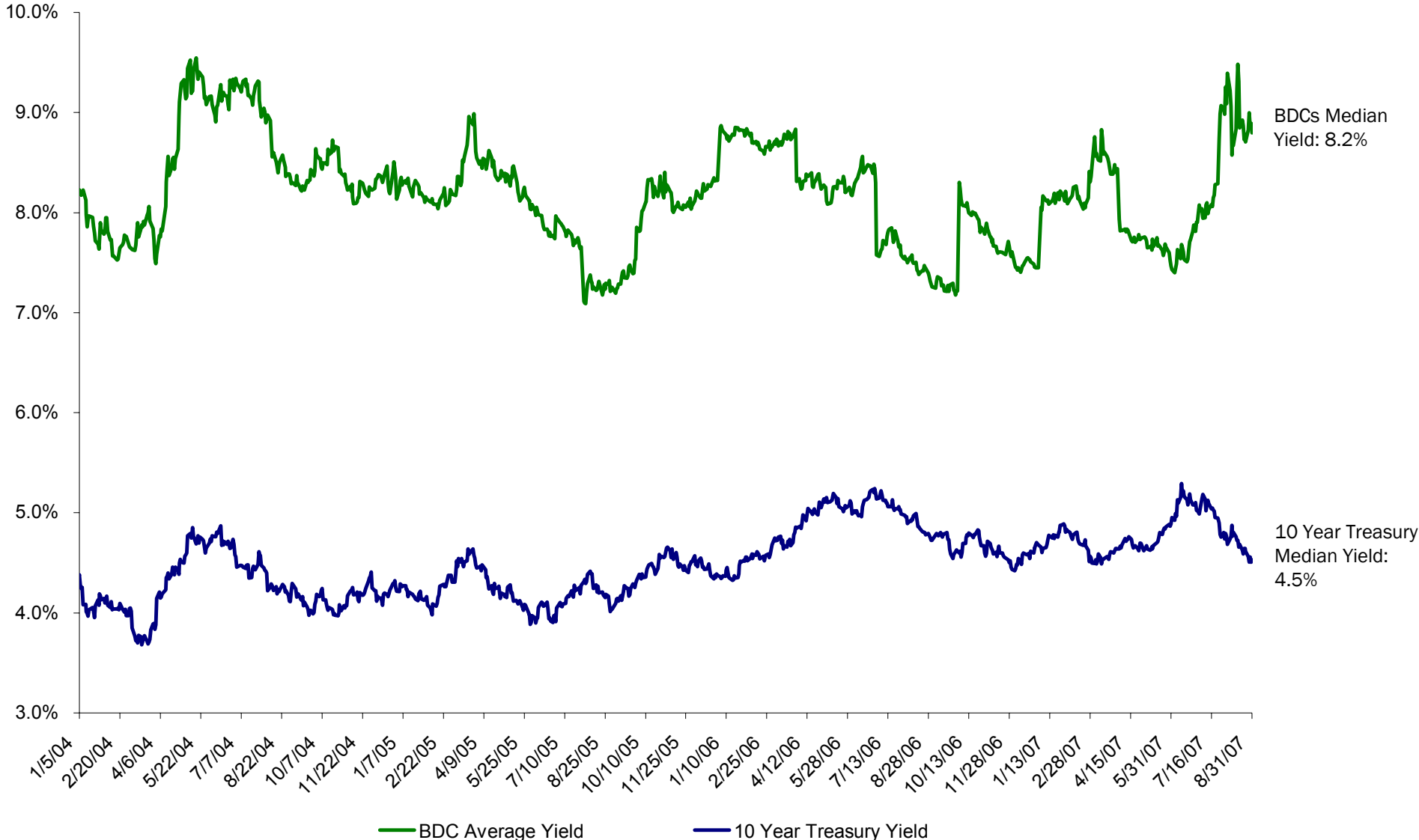
As the REIT industry has grown yields have compressed and total returns have been impressive

Investment Returns: BDC Industry Analysis



As the BDC industry increases in size yields are compressing as well

BDC Industry Yield Analysis



The historical spread between the BDC and 10 Year Treasury yield is 3.68%

Keys To Generating Superior Returns

- ◆ Maintain focus
 - Continue investing in lower middle market companies
- ◆ Leverage portfolio experiences
 - Proactively make portfolio adjustments to avoid industry concentrations
- ◆ Actively focus on due diligence
 - Perform solid due diligence on potential transactions to minimize post closing issues
- ◆ Creative structures
 - Work closely with management teams to create a win/win transaction structure
- ◆ Quality portfolio management
 - Maintain active portfolio management to protect investments
- ◆ Invest in the portfolio
 - Actively seek ways to make “follow-on” investments in portfolio companies where appropriate