



Triangle Capital Corporation

NASDAQ Global Market Symbol: TCAP
www.tcap.com

Investor Presentation

November 2008



“Safe Harbor”

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COMPANY & INDUSTRY OVERVIEW

Company Overview

- ◆ Pure-play, lower middle market, internally managed BDC
- ◆ Typical investment size = \$5MM to \$15MM
- ◆ Invest primarily in subordinated debt and equity securities
- ◆ 3Q 2008 annualized dividend = \$1.52 per share
- ◆ Run Rate net investment income = \$1.69 per share ⁽¹⁾
- ◆ Current assets under management ≈ \$220MM

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

(1) Anticipated NII per share based on 2008 YTD transaction closings which have been previously announced.

Key Investment Considerations

- ◆ Attractive business model
 - Recurring revenue stream
 - High operating leverage drives net investment income (NII)
- ◆ Seasoned investment team
 - Eight transaction professionals
 - Over 150 years of advising, investing and operating experience
- ◆ Attractive lower middle market focus
 - Less transaction competition
 - Higher transaction IRRs
- ◆ Weighted average portfolio debt yield is 14.2% vs. industry average of 12.2%
 - Seasoned investment portfolio
- ◆ Strong capital structure
 - Low cost, long term SBA debt (10 years) \approx 6.1% coupon
 - Lower cost of debt reduces WACC and increases NII

Core Operational Principles

ONE

◆ STRENGTH

- Operational:
 - Attract and retain quality people
 - Establish long term relationships
- Financial:
 - Maintain sufficient liquidity at all times
 - NII should cover dividend 100%+ on a long term basis

TWO

◆ PROFITABILITY

- Structure investments that balance creditor rights with equity upside
- Keep SG&A low (every \$70,000 = \$0.01/share)

THREE

◆ GROWTH

- Pursue growth in a prudent, disciplined manner
- Be prepared to take advantage of unexpected market opportunities

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 27 BDCs
- ◆ BDCs function as tax-advantaged, pass-through entities
 - Limited corporate taxation
 - Greater than 90% of earnings are passed to shareholders in the form of dividends
- ◆ BDCs are a 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, investor liquidity option

Why We Target the Lower Middle Market

- ◆ Over 65,000 lower middle market companies in the United States with revenues between \$10MM and \$100MM
 - More than 90% are privately held
 - Significant financing needs
- ◆ Highly fragmented market underserved by commercial & investment banks
 - Offers superior risk-adjusted returns
 - Attractive niche for a seasoned team with an operational discipline
- ◆ Less competitive pricing environment
 - Relationships matter
 - Certainty of closing is extremely important

Our core investing team of 8 professionals includes two former private company presidents, one former public company CFO, two CFAs, & two CPAs

Investment Criteria

Established Companies with Positive Cash Flow

- ◆ \$2.0MM to \$20MM 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

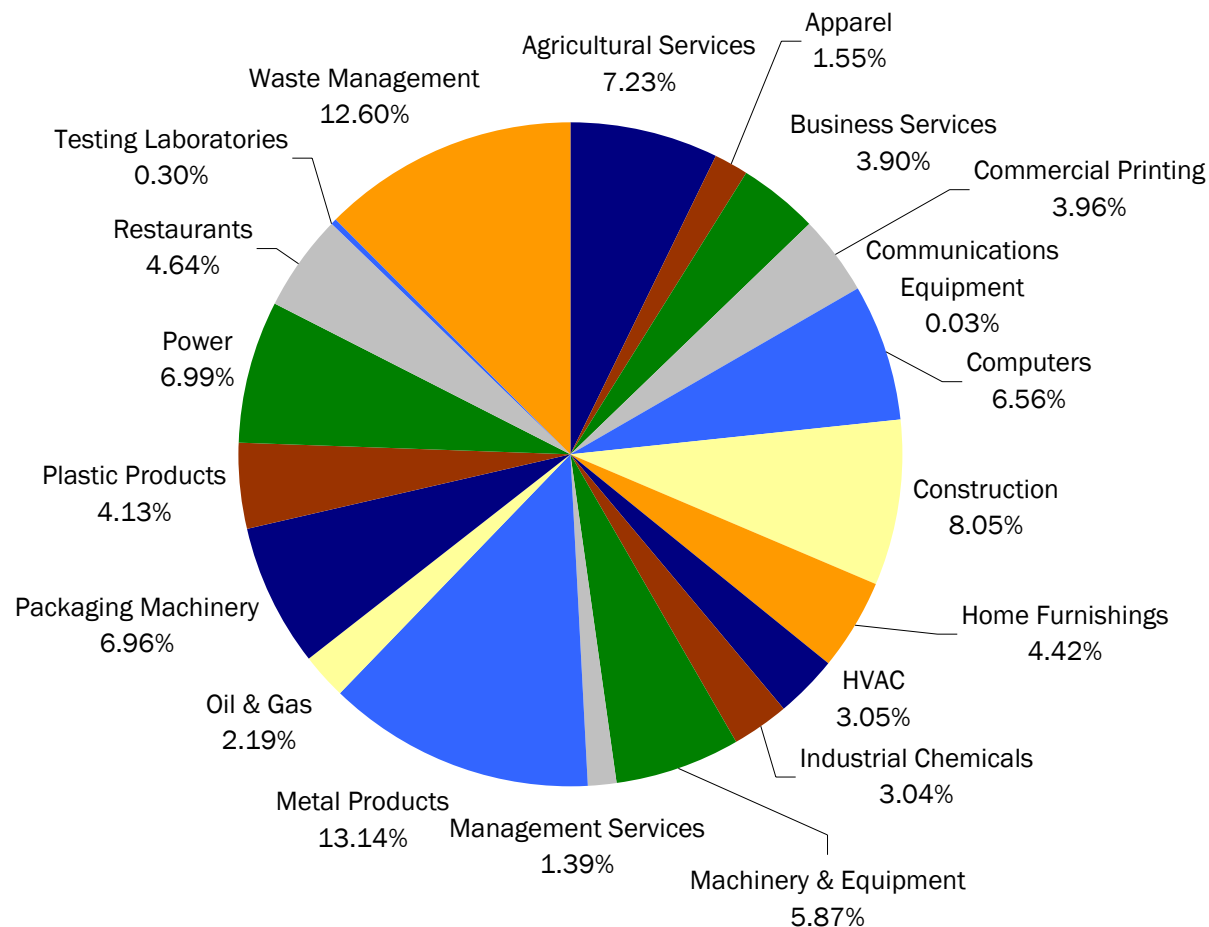
- ◆ Better positioned for economic downturns
- ◆ Increased ability to endure industry consolidation
- ◆ Can adapt to changing business conditions

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

High Quality, Diversified Portfolio

- ◆ \$178MM in commitments across 20 industries and 35 companies



Our portfolio contains no sub-prime mortgage exposure, no commercial real estate exposure, and no consumer credit exposure

(1) As of October, 2008, at FMV and excluding cash on hand.

Significant Events: IPO to Present

- ◆ Successfully invested 100% of IPO proceeds by December 31, 2007
 - 22 successful transaction closings since IPO
 - Commitments totaling ~ \$155MM
 - Average commitment size = \$7.1MM

- ◆ Dividend growth pacing well ahead of expectations
 - 4Q 2008 dividend (announced on October 9) of \$0.38 / share
 - Compares to 3Q 2008 dividend of \$0.35 / share

- ◆ Investment portfolio continues to perform well
 - YoY total portfolio EBITDA growth is 10% + (as of 9/30/08)
 - Total portfolio cost basis = \$171MM; fair value = \$178MM (4.0% premium)

- ◆ Expanding operational team to focus on future growth
 - 2 Managing directors
 - Principal accounting officer
 - 3 Analysts

FINANCIAL & OPERATIONAL OVERVIEW

Long Term Financial Goals

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

TCAP: A History of Exceeding Expectations

	GOAL	ACHIEVEMENT
IPO:	\$52.5MM	Raised ~\$72.0MM
Capital Deployment:	Invest IPO proceeds in 12-24 months	Fully invested in 12 months
Investment Yield:	WAY = 12.0%	Debt WAY = 14.2% Total WAY = 13.0%
Gains/Losses:	Offset over time	Positive gains of \$0.10/sh
NII per Share:	\$0.84/sh for Fiscal 2007	\$0.95/sh for Fiscal 2007

Why BDCs Make Strategic Sense

	Investment Option Comparison	
	Private Fund	Public Equity
Risk Free Rate	4.7%	4.7%
Credit Premium	2.0%	2.0%
Equity Premium	5.1%	5.1%
Illiquidity Premium	5.0%	0.0%
<i>Required Return</i>	16.8%	11.8%

The current dividend yield on the S&P 500 is 3.0%, which means investors must realize 8.8% in price appreciation to equal an 11.8% return

An investment in TCAP generates a current yield of 13.2% BEFORE any potential price appreciation

- (1) *Risk free rate based on average 10 year treasury rate since 9/15/98; credit premium based on 10 year BBB rated bonds since 9/15/98; equity premium based on long term large company total returns minus long term risk free rate and minus long term credit premium, per SBBI Valuation Edition 2007 Yearbook published by Morningstar, Inc.*
- (2) *Yield based on TCAP stock price of \$11.50 and 6.9MM shares outstanding.*

September 30, 2008 Results & Pro Forma Analysis

	At September 30, 2008		
	(\$ in thousands)		
	Actual ⁽²⁾	Run Rate ⁽¹⁾	Potential ⁽³⁾
Total investment income	\$5,870	\$24,700	\$27,000
SBA interest expense	(\$1,465)	(\$6,700)	(\$7,600)
SG&A expense	(\$1,468)	(\$6,400)	(\$6,400)
Net investment income	\$2,937	\$11,600	\$13,000
Annualized NII yield ⁽²⁾	14.60%	14.60%	16.34%

(1) Run rate results are annualized 3Q 2008 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 for 3Q 2008 based on recurring NII of \$0.42 per share, stock price of \$11.50, and 6.9MM shares outstanding.

(3) Potential annualized yield assuming remaining capital is invested over the next twelve months at a weighted average yield of 13.0%.

Financial Overview: Capitalization at 3Q 2008

	At September 30, 2008	
	(\$ in thousands)	
	Actual	Pro forma ⁽¹⁾
Cash and cash equivalents	\$15,900	\$20,400
Long-term debt	\$98,200	\$115,000
Stockholders' equity		
Additional paid-in-capital	\$87,000	\$87,000
Retained earnings	8,000	5,400
Total stockholders' equity	\$95,000	\$92,400
Total capitalization	\$193,200	\$207,400

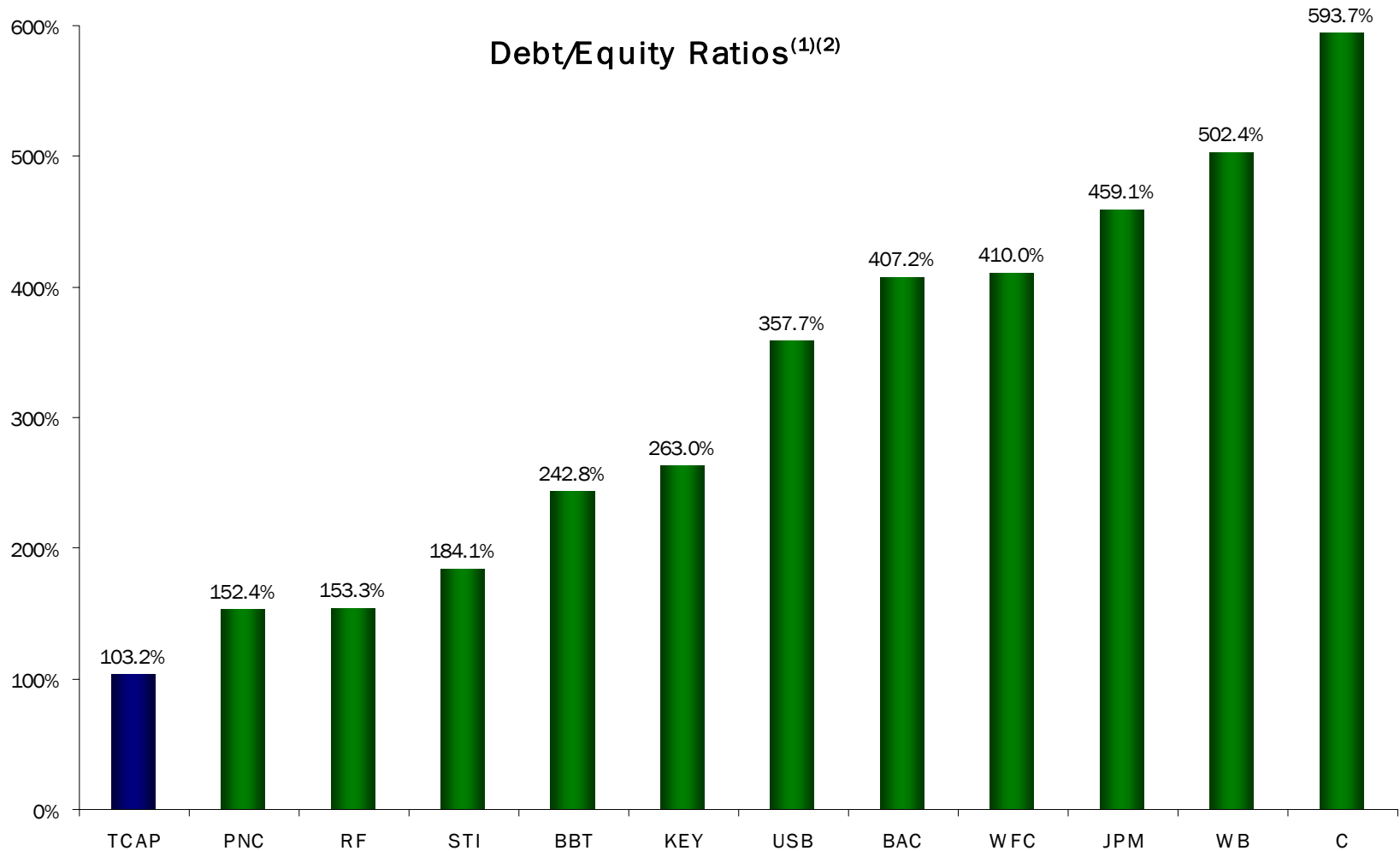
(1) Pro forma cash and debt positions as of November 12, 2008.

Liquidity Position

	At September 30, 2008	
	(\$ in thousands)	
	Actual	Pro Forma ⁽¹⁾
Cash	\$15,900	\$20,400
Available SBA Debt	32,400	15,500
Total Liquidity	<u>\$48,300</u>	<u>\$35,900</u>

(1) Pro Forma liquidity position as of November 12, 2008.

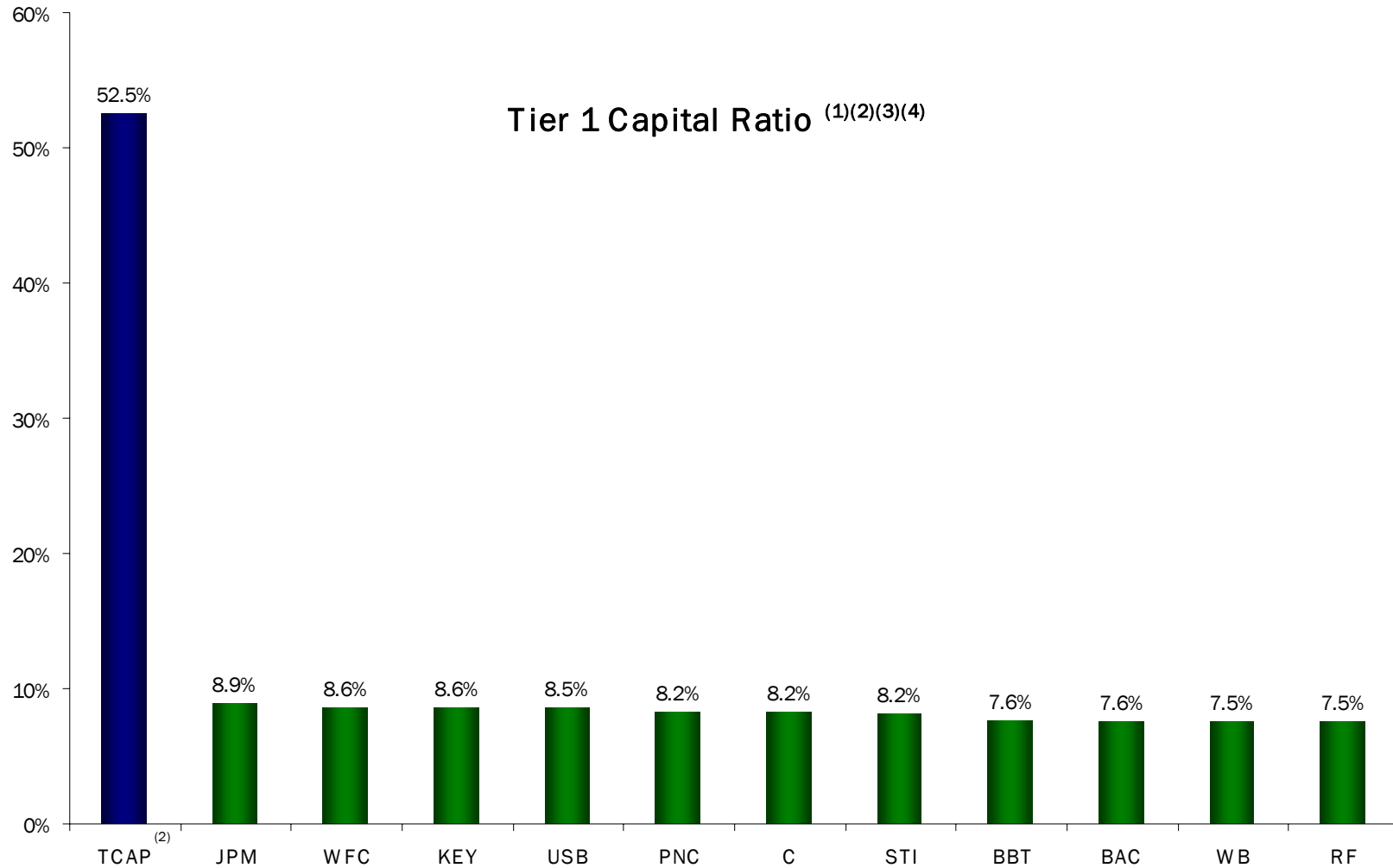
Strong Capital Structure



(1) Source: Company financial statements as of September 30, 2008.

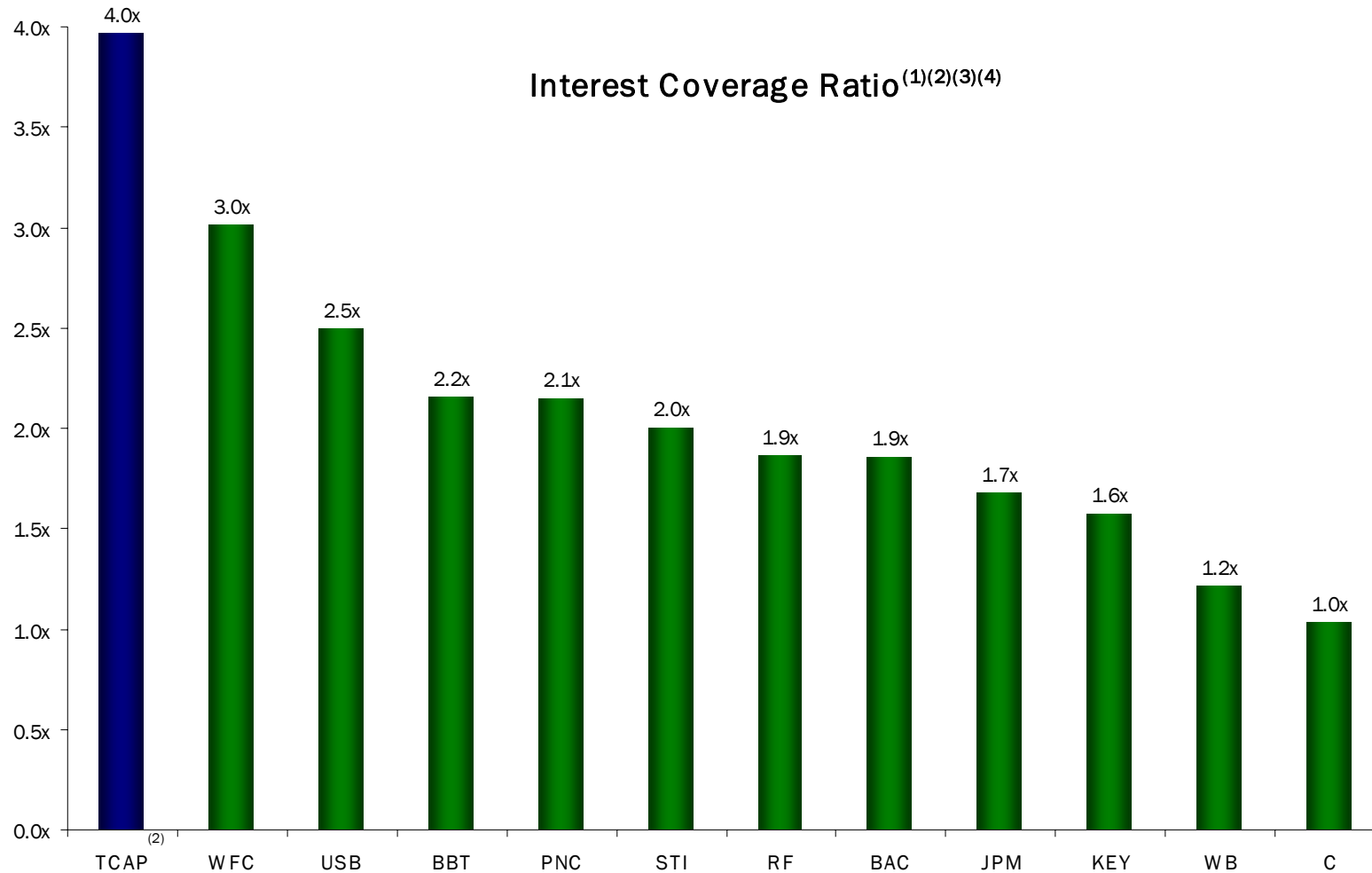
(2) Financial Institutions Include: PNC Financial, Regions, SunTrust, BB&T, Keycorp, US Bancorp, Bank of America, Wells Fargo, JP Morgan Chase, Wachovia, and Citigroup

Strong Capital Structure



- (1) As of September 30, 2008.
- (2) TCAP's tier 1 capital is equal to the sum of common stock, additional paid-in capital and retained earnings divided by total assets less cash.
- (3) Bank tier 1 capital ratios from financial statements.
- (4) Financial Institutions Include: JP Morgan Chase, Wells Fargo, Keycorp, US Bancorp, PNC Financial, Citigroup, SunTrust, BB&T, Bank of America, Wachovia, and Regions

Strong Capital Structure



(1) As of September 30, 2008.

(2) TCAP's ratio equal to the sum of net investment income and interest expense over interest expense.

(3) Bank ratios equal to the sum of total interest income and total non-interest income less non-interest expense over total interest expense.

(4) Financial Institutions Include: Wells Fargo, US Bancorp, BB&T, PNC Financial, SunTrust, Regions, Bank of America, JP Morgan Chase, Keycorp, Wachovia, and Citigroup

Attractive Operating Statistics

Key Portfolio Characteristics

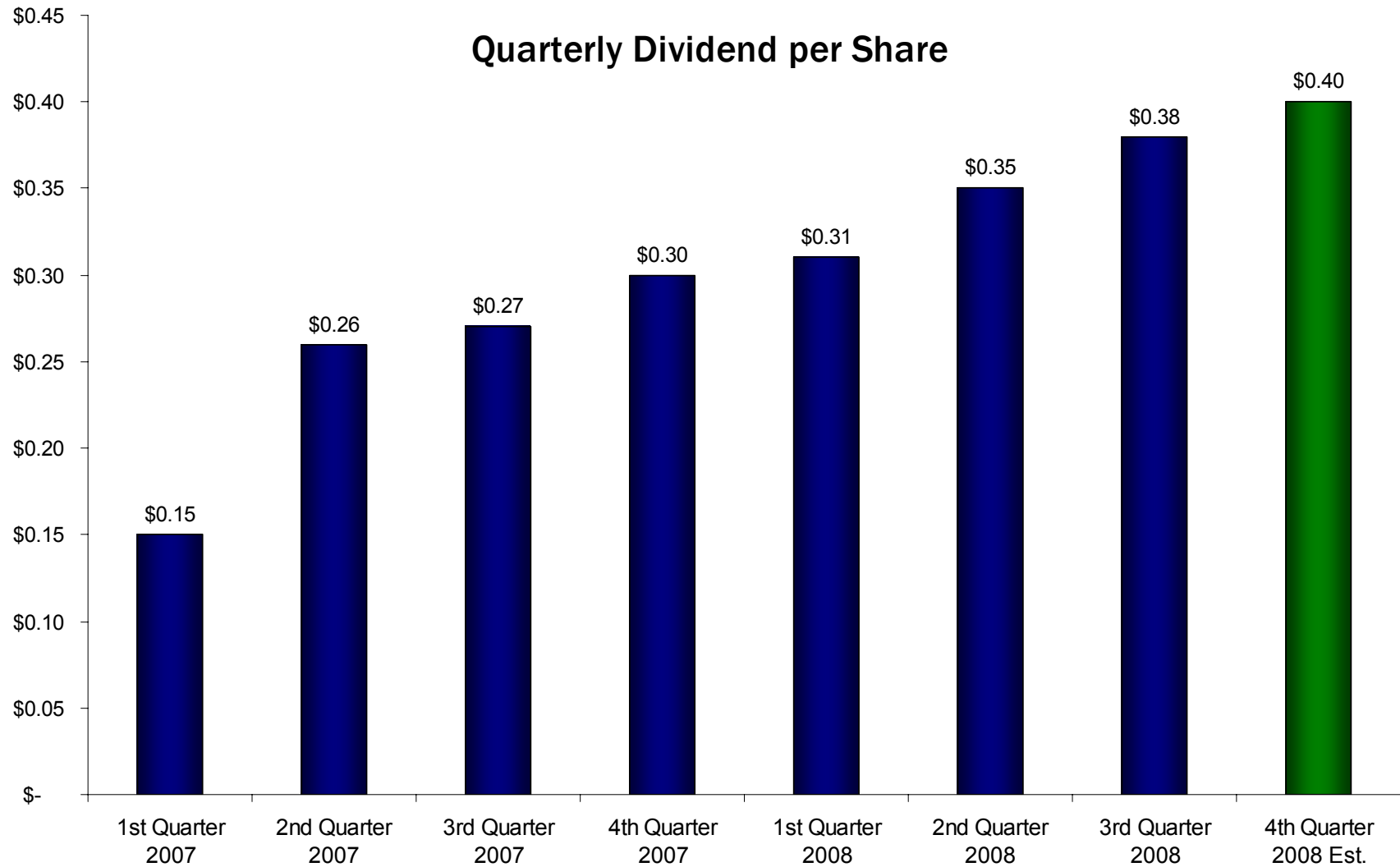
- Industry leading yield
- Investment breakdown: 9% senior debt, 77% sub-debt, 14% equity
- Excellent credit metrics
- Significant diversification across multiple sectors

Key Portfolio Statistics

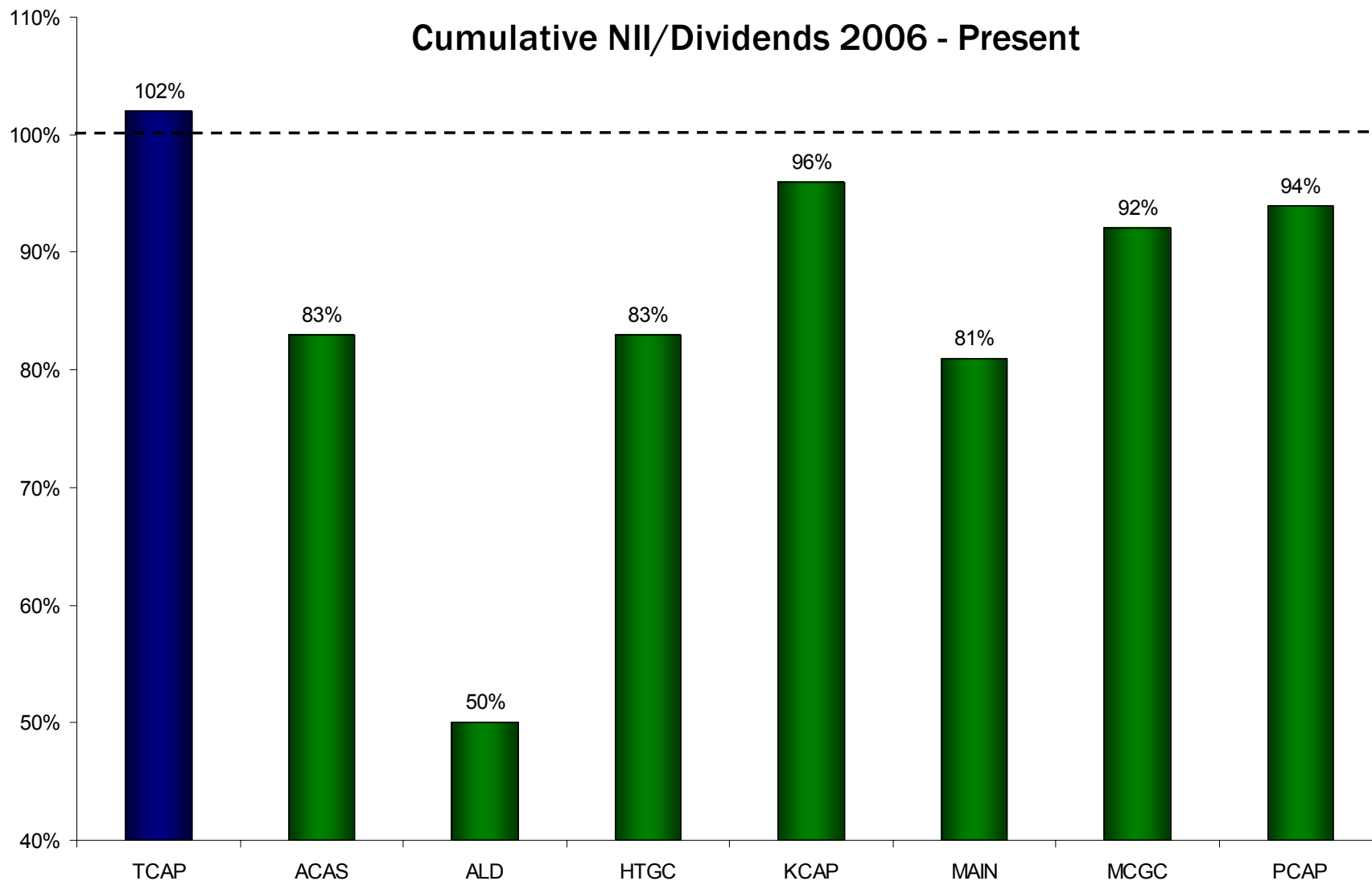
	<u>TCAP</u>	<u>Peer / Industry Average</u> ⁽¹⁾
Total debt yield	14.2%	12.2%
Median total leverage	3.6x	5.5x
Weighted average IRRs	21.3%	18.5%
Non-accrual / delinquent assets	1.3%	7.8%

(1) Industry average yield based on Morgan Keegan and industry research; Median leverage based on ACAS 3Q 2008 portfolio analysis; weighted average IRRs based on ACAS and ALD information as of 3Q 08; non-accrual analysis based on ACAS, ALD, GNV, HGTC, MCGC, MAIN, and PCAP information as of 3Q 08.

Steadily Growing, Predictable Dividend



Prudent Dividend Coverage



(1) *KCAP IPO occurred 12/12/06. TCAP IPO occurred 2/14/07.*

Significant Insider Holdings

- ◆ Independent directors purchased \$3.0MM of stock at IPO
 - Purchases made at market price (no special discounts)
- ◆ Since IPO management team has purchased \$0.8MM of stock
 - Purchases have been made during each quarter since IPO
- ◆ Since IPO independent directors have purchased \$1.3MM of stock
 - Purchases have been made during each quarter since IPO

Collectively, management team members and independent directors have invested \$5.2MM in TCAP stock and own 13.5% of the Company