



NEW MOUNTAIN FINANCE  
CORPORATION

## **Q1 2013 Earnings Presentation**

May 7, 2013

# Important Notice and Safe Harbor Statement

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This presentation contains forward looking statements that involve substantial risks and uncertainties. All forward-looking statements included in this presentation are made only as of the date hereof and are subject to change without notice. Actual outcomes and results could differ materially from those suggested by this presentation due to the impact of many factors beyond the control of New Mountain Finance Corporation (“NMFC”) and its operating company, including those listed in the "Risk Factors" section of our filings with the U.S. Securities and Exchange Commission (“SEC”). Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws and NMFC assumes no obligation to update or revise any such forward-looking statements unless required by law.

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# Management Participants

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**Steven B. Klinsky**

*Chairman of the Board of Directors*

**Robert A. Hamwee**

*Chief Executive Officer, President and Director*

**David M. Cordova**

*Chief Financial Officer and Treasurer*

# Q1 2013 Highlights

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- Q1 Adjusted Net Investment Income (“NII”) of \$0.34 per weighted average share, consistent with our expected range of \$0.33 - \$0.35
  - Special dividend of \$0.14 per share paid on January 31, 2013
  - Q1 dividend of \$0.34 per share paid on March 28, 2013
- March 31, 2013 book value of \$14.31 per share, an increase of \$0.25 per share from the December 31, 2012 book value of \$14.06 per share
- Q2 2013 regular dividend of \$0.34 per share announced
  - Payable on June 28, 2013 to holders of record as of June 14, 2013
- Credit performance remains very strong
- Approximately \$112.0 million of gross and \$50.4 million of net assets originated in Q1 2013
- On March 25, 2013, NMFC completed a primary and secondary offering of 6.9 million shares (including overallotment) of its common stock, of which 2.0 million were primary shares issued at a public offering price of \$14.30 per share for total gross proceeds of \$28.6 million
- Portfolio continues to be positioned in recession resistant, acyclical industries



# Review of NMFC and NMFC Strategy

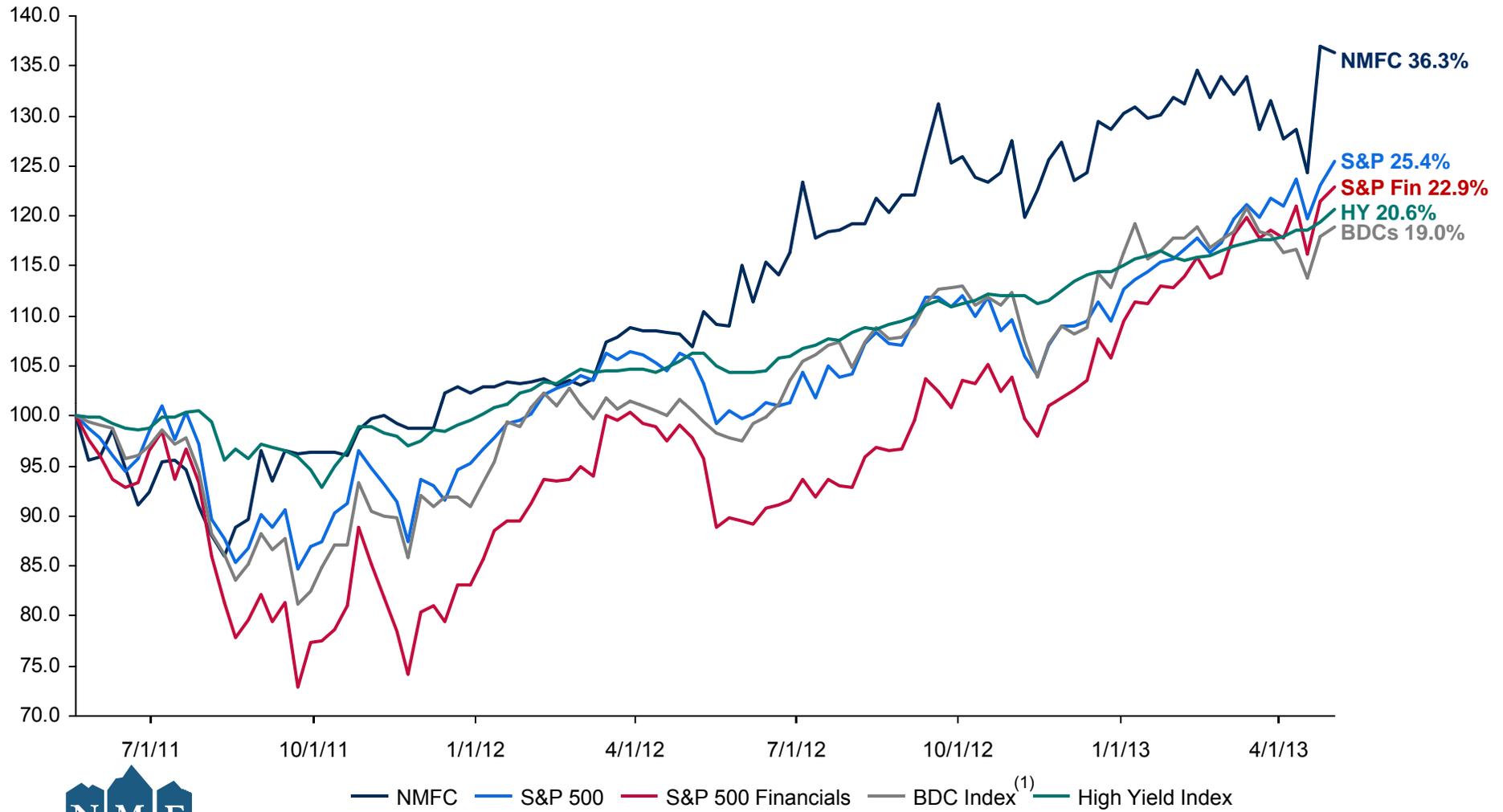
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- NMFC's portfolio is externally managed by New Mountain Finance Advisers BDC, L.L.C., which is an affiliate of New Mountain Capital, L.L.C. ("New Mountain" or "NMC"), a leading private equity firm with more than \$9 billion of assets under management<sup>(1)</sup>, approximately 100 staff members, and a consistent focus on "defensive growth" business building and deep fundamental research
- NMFC's mandate is to primarily target businesses in the middle market that, consistent with New Mountain's private equity platform, are **quality, defensive growth** companies, in industries that are **well-researched** by New Mountain
  - Sustainable, highly differentiated and competitively protected niche
- Mandate achieved by **utilizing existing New Mountain investment team** as primary underwriting resource; team combines operating executives with financial executives
- Target loan to value ratios typically average less than 50% of both sponsor purchase price and NMC valuation

# NMFC Relative Trading Performance – Indexed Total Return

May 19, 2011 (IPO) – May 3, 2013

Indexed Total Return



— NMFC — S&P 500 — S&P 500 Financials — BDC Index<sup>(1)</sup> — High Yield Index

Source: Capital IQ, Credit Suisse Research & Analytics

<sup>1</sup> BDC Index includes median of Ares, Apollo, Prospect, Solar, Fifth Street, Blackrock Kelso, Pennant Park, MVC, Golub, THL Credit, Gladstone, Medley, Solar Senior and Horizon Technology; equal-weighted

# Credit Market Conditions

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- Significant rally in credit since the beginning of the year continues:
  - Dearth of supply from new issuers
  - Expectation of low base rates for an extended period
  - Strong demand particularly from rapidly expanding CLO new issues
  - Stabilization of global economic data
  - Continued equity market strength
- NMFC works to be well positioned to capitalize on volatile markets:
  - NMC and NMFC have **always** proactively focused on defensive, acyclical business models
  - Leverage facilities **not** subject to margin calls

# Credit Performance

(\$ in millions, unaudited)

	As of 3/31/2013	Cumulative Since Inception <sup>(1)</sup> (October 2008 – March 31, 2013)	
	<u>Cost</u> / <u>FMV</u>	<u>Cost</u>	<u># Portfolio Co's</u>
<b>Investments</b>	\$1,005.4 / \$1,030.9	\$1,943.2	112
<b>On Internal Watch List (3 or 4 Rating, excl. Non-Accrual)<sup>(2)</sup></b>	\$13.6 / \$9.6	\$20.5	2
<b>Non-Accrual<sup>(3)</sup></b>	\$5.9 / \$0.6	\$5.9	1
<b>Default Loss</b>	\$0 / \$0	\$0	0

<sup>1</sup> Since inception of predecessor entity in 10/2008 through 3/31/2013

<sup>2</sup> Determined on a quarterly basis by Management. In addition to various risk management and monitoring tools, NMFC also uses a four-level numeric investment rating system to characterize and monitor the credit profile and expected level of returns on each portfolio investment. Ratings of 1 and 2 indicate the investment is performing materially above, or materially in-line, with expectations, respectively. All new loans are rated 2 when approved. A rating of 3 indicates the investment is performing materially below expectations and risk has increased materially since the original investment. A rating of 4 indicates the investment is performing substantially below expectations and risks have increased substantially since the original investment. Payments may be delinquent. There is a meaningful possibility that we will not recoup our original cost basis in the investment and may realize a substantial loss upon exit. Where it is determined that an investment is underperforming, or circumstances suggest that the risk associated with a particular investment has significantly increased, a more aggressive monitoring of the affected portfolio company will be undertaken

<sup>3</sup> The \$5.9m, at cost, refers to the first lien investments in ATI Acquisition Company

# Credit Performance – Operating Company (“OpCo”) Assets Portfolio

Portfolio Company <sup>(1)</sup>	NMFC Leverage Ratio <sup>(2)</sup>		Variance
	At Purchase	Current	Positive / (Negative)
Company A	4.7x	3.7x	0.9x
Company B	4.6x	4.8x	(0.2x)
Company C	4.8x	5.0x	(0.1x)
Company D	5.1x	5.0x	0.2x
Company E	5.3x	4.8x	0.4x
Company F	3.4x	2.8x	0.6x
Company G	3.3x	3.5x	(0.2x)
Company H	6.8x	6.6x	0.2x
Company I	6.7x	6.1x	0.6x
Company J	4.3x	2.6x	1.7x
Company K	4.8x	4.3x	0.5x
Company L	5.8x	5.8x	-
Company M	5.6x	5.6x	-
Company N	4.9x	4.0x	0.9x
Company O	4.1x	4.1x	-
Company P	5.9x	5.9x	-
Company Q	6.3x	6.1x	0.1x
Company R	2.9x	2.9x	-
Company S	3.1x	3.0x	0.1x
Company T	6.0x	5.9x	0.1x
Company U	5.9x	5.9x	-
Company V	3.3x	3.2x	0.1x
Company W	5.1x	5.0x	0.1x
Company X	4.5x	4.1x	0.5x
Company Y	5.7x	5.7x	-
Company Z	5.9x	5.5x	0.4x
Company AA	5.0x	3.8x	1.2x
Company AB	3.7x	3.9x	(0.2x)
<b>Weighted Average (3/31/2013)<sup>(3)</sup></b>	<b>4.9x</b>	<b>4.6x</b>	<b>0.2x</b>
<b>Memo: Weighted Average (12/31/2012)</b>	<b>4.9x</b>	<b>4.8x</b>	<b>0.2x</b>
<b>Memo: Weighted Average (9/30/2012)</b>	<b>4.1x</b>	<b>3.8x</b>	<b>0.2x</b>
<b>Memo: Weighted Average (6/30/2012)</b>	<b>4.0x</b>	<b>3.7x</b>	<b>0.3x</b>



<sup>1</sup> Current positions with an initial cost greater than \$7.5mm as of 3/31/2013 (represents 90% of OpCo cost and 90% of OpCo fair value)

<sup>2</sup> Defined as total debt (assuming par for debt senior to our security, purchase price for our security, and no value for debt subordinated to our security) less total cash for the period, divided by the trailing twelve month EBITDA; as of the fourth calendar quarter of 2012, if available, or otherwise, the most recently reported fiscal quarter

<sup>3</sup> Includes all non-70% advance rate assets not on non-accrual except equity, revolvers and one portfolio company where EBITDA is not a relevant metric; weighted by cost

# Credit Performance – Senior Loan Funding (“SLF”) Eligible First Lien Portfolio

Portfolio Company <sup>(1)</sup>	NMFC Leverage Ratio <sup>(2)</sup>		Variance Positive / (Negative)
	At Purchase	Current	
Company AC	3.1x	2.6x	0.5x
Company AD	3.2x	3.0x	0.2x
Company AE	1.6x	1.4x	0.3x
Company AF	3.5x	3.2x	0.3x
Company AG	4.1x	4.1x	0.1x
Company AH	4.0x	4.8x	(0.7x)
Company AI	3.2x	3.2x	-
Company AJ	4.0x	4.0x	-
Company AK	3.8x	3.3x	0.5x
Company AL	2.0x	2.1x	(0.1x)
Company AM	3.2x	3.3x	(0.1x)
Company AN	2.7x	2.9x	(0.2x)
Company AO	4.1x	3.9x	0.2x
Company AP	3.2x	8.7x	(5.4x)
Company AQ	3.8x	3.9x	(0.2x)
Company AR	4.3x	3.5x	0.8x
Company AS	3.7x	3.5x	0.2x
Company AT	3.3x	2.9x	0.4x
Company AU	4.1x	4.1x	(0.0x)
Company AV	4.2x	4.0x	0.2x
Company AW	1.8x	1.2x	0.6x
Company AX	4.0x	3.7x	0.3x
<b>Weighted Average (3/31/2013)<sup>(3)</sup></b>	<b>3.5x</b>	<b>3.5x</b>	<b>0.0x</b>
<b>Memo: Weighted Average (12/31/2012)</b>	<b>3.4x</b>	<b>3.3x</b>	<b>0.1x</b>
<b>Memo: Weighted Average (9/30/2012)</b>	<b>3.5x</b>	<b>3.3x</b>	<b>0.2x</b>
<b>Memo: Weighted Average (6/30/2012)</b>	<b>3.3x</b>	<b>3.1x</b>	<b>0.2x</b>



<sup>1</sup> Current positions with an initial cost greater than \$7.5mm as of 3/31/2013 (represents 88% of SLF cost and 88% of SLF fair value)

<sup>2</sup> Defined as total debt (assuming par for debt senior to our security, purchase price for our security, and no value for debt subordinated to our security) less total cash for the period, divided by the trailing twelve month EBITDA; as of the fourth calendar quarter of 2012, if available, or otherwise, the most recently reported fiscal quarter

<sup>3</sup> Includes all assets with a 70% advance rate; weighted by cost

# Share Ownership Migration

(shares in millions)

	<u>IPO - May-11</u>	<u>2012 Offerings</u>		<u>Primary and Secondary Offering - Mar-13</u>	
	<u>Issuances</u>	<u>Issuances</u>	<u>Cumulative</u>	<u>Issuances</u>	<u>Cumulative</u>
Public Shares ("PubCo")	10.7	13.6 <sup>(1)(2)</sup>	24.3	7.0 <sup>(1)(2)</sup>	31.3
<i>% of Total</i>	34.6%		60.0%		73.5%
NMC Fund Shares ("AIV Holdings")	20.2	(4.0)	16.2	(4.9)	11.3
<i>% of Total</i>	65.4%		40.0%		26.5%
<b>Total Shares</b>	<b>30.9</b>	<b>9.6</b>	<b>40.5</b>	<b>2.1</b>	<b>42.6</b>

Since IPO, NMFC's public float has nearly tripled, from 10.7 million to 31.3 million shares, which represents approximately 74% of the total shares

# Performance Since IPO

(\$ in millions, unaudited)<sup>(1)</sup>

	IPO - 12/31/2011 <sup>(2)</sup>	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013
Regular Dividend	\$26.6	\$9.9	\$10.5	\$12.5	\$13.7	\$13.8
Cumulative Regular Dividend	26.6	36.5	47.0	59.5	73.2	87.0
Adj. NII	26.5	9.8	10.9	11.9	13.6	13.8
Cumulative Adj. NII	26.5	36.3	47.2	59.1	72.7	86.5
<b>Dividend Coverage (Cumulative Adj. NII / Dividend)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>
Adj. Realized Gains	\$1.6	\$0.9	\$8.3	\$1.7	\$3.0	\$1.4
Adj. Realized Credit & Other Losses	(\$0.8)	(0.6)	(0.8)	(0.3)	(0.3)	(0.8)
Total Adj. Realized Gains / (Losses)	0.9	0.3	7.5	1.4	2.7	0.6
Cumulative Adj. Realized Gains / (Losses)	0.9	1.2	8.6	10.1	12.8	13.4
Adj. Change in Unrealized Appreciation	17.0	16.4	4.2	13.4	12.5	16.1
Adj. Change in Unrealized Depreciation	(28.1)	(1.9)	(11.4)	(1.9)	(10.8)	(3.3)
Total Adj. Change in Unrealized Appreciation / (Depreciation)	(11.1)	14.5	(7.2)	11.5	1.6	12.8
Cumulative Adj. Change in Unrealized Appreciation / (Depreciation)	(11.1)	3.4	(3.8)	7.7	9.3	22.1
<b>Cumulative Net Realized and Unrealized Gains and Appreciation</b>	<b>(\$10.2)</b>	<b>\$4.6</b>	<b>\$4.8</b>	<b>\$17.7</b>	<b>\$22.0</b>	<b>\$35.4</b>



<sup>1</sup> Numbers may not add due to rounding; see footnote 2 on p.20 for "Adjustments"

<sup>2</sup> NMFC priced its initial public offering on 5/19/2011. Breakouts between realized and unrealized gain/(loss) amounts reflect the total of estimates from the period from May 19, 2011 to June 30, 2011 and the amounts for the three months ended September 30, 2011 and December 31, 2011, respectively

# Q1 Originations and Repayments

(\$ in millions, unaudited)

## Portfolio Originations<sup>(1)</sup>

Date <sup>(2)</sup>	Name	Industry	Amount (\$'s Invested)	Tranche Size	Type of Investment	Advance Rate	YTM at Purchase <sup>(3)</sup>	
							Unlevered	Levered
2/1/13		Energy	\$24.8	\$200	1 <sup>st</sup> Lien	45%	10.6%	16.4%
2/21/13		Federal Services	\$9.7	\$715	1 <sup>st</sup> Lien	70%	7.7%	18.9%
3/5/13		Business Services	\$19.8	\$430	1 <sup>st</sup> Lien	70%	8.0%	20.8%
3/15/13		Education	\$24.2 / \$19.9	\$810 / \$800	1 <sup>st</sup> Lien	70% / 45%	10.3% / 10.2%	24.3% / 15.4%
	Other		\$13.6	<b>Q4 2012</b>	<b>Q3 2012</b>	<b>Q2 2012</b>	<b>Non-SLF: 10.5%</b>	<b>Non-SLF: 15.4%</b>
	<b>Total Originations</b>		<b>\$112.0</b>	<b>\$266.7</b>	<b>\$173.4</b>	<b>\$126.4</b>	<b>SLF: 9.0%<sup>(4)</sup></b>	<b>SLF: 22.3%<sup>(4)</sup></b>
	Repayments		(\$61.6)	(\$108.7)	(\$63.6)	(\$104.4)		
	<b>Net Originations</b>		<b>\$50.4</b>	<b>\$158.0</b>	<b>\$109.8</b>	<b>\$22.0</b>		
	Sales		(\$23.5)	(\$46.8)	(\$1.0)	(\$26.4)		
	<b>Net Originations less Sales</b>		<b>\$26.9</b>	<b>\$111.2</b>	<b>\$108.8</b>	<b>(\$4.4)</b>		

<sup>1</sup> Origination commitments over \$7.5m shown, originations less than \$7.5m included in "Other"; excludes PIK, revolvers, and bridges

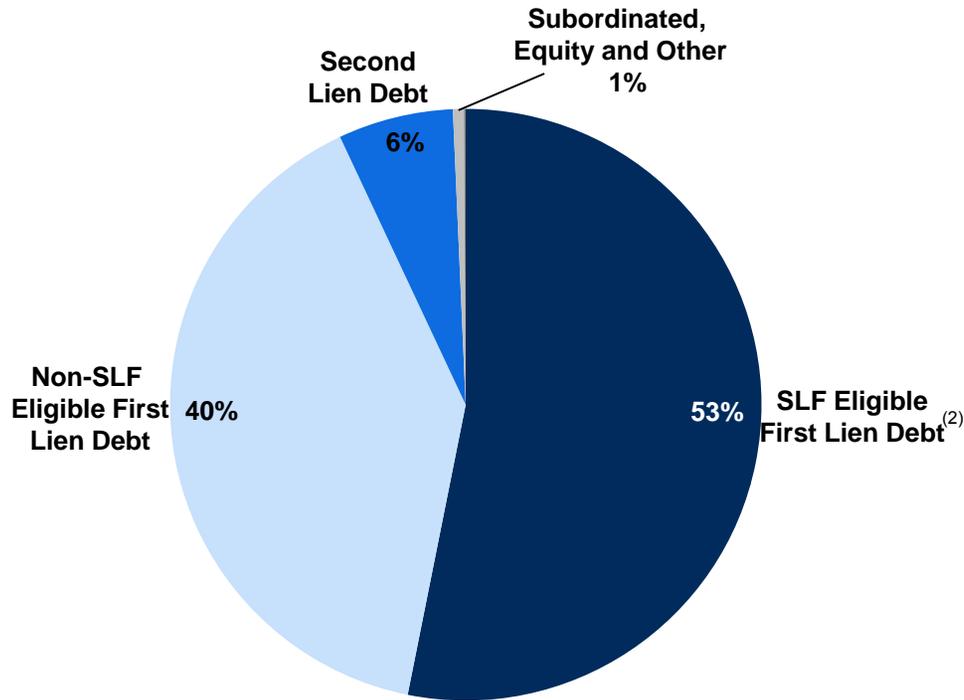
<sup>2</sup> Date of commitment; where multiple trade dates, the first trade date is listed

<sup>3</sup> Assumes that investments are purchased at purchase price on settlement date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. See "Important Notice and Safe Harbor Statement."

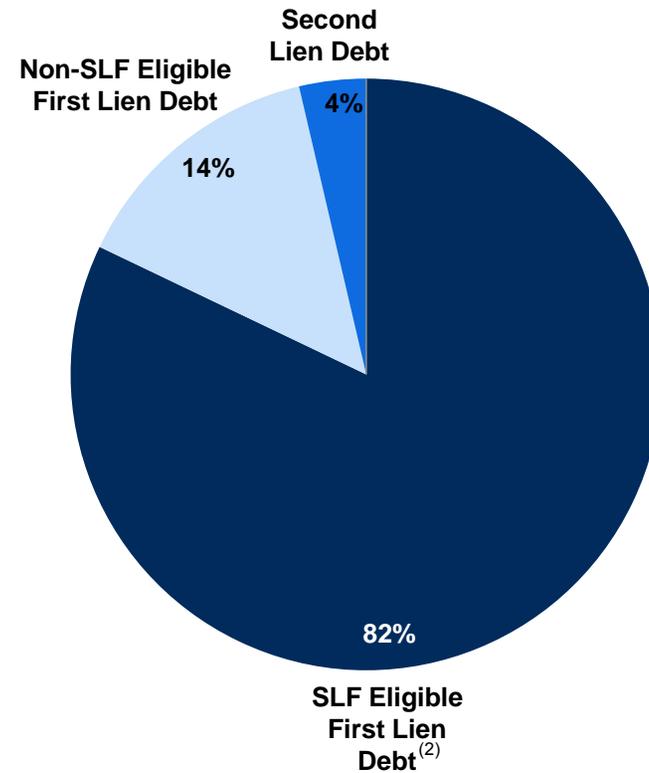
<sup>4</sup> Weighted average YTM; SLF includes all assets with 70% advance rate and assumes L+2.00% interest rate on that debt

# Q1 Originations and Repayments

Originations by Type<sup>(1)</sup>



Sales / Repayments by Type<sup>(1)</sup>



<sup>1</sup> By \$s invested / \$s received at time of origination / sale / repayment

<sup>2</sup> SLF eligible includes all assets with 70% advance rate

# Q1 Investment Activity Roll

(\$ in millions, unaudited)

## Originations<sup>(1)</sup>

Name	Amount (\$'s Invested)	YTM at Purchase <sup>(3)</sup>
	\$24.8	10.6%
	\$9.7	7.7%
	\$19.8	8.0%
	\$24.2 / \$19.9	10.3% / 10.2%
Other	\$13.6	10.4%
<b>Total Originations</b>	<b>\$112.0</b>	<b>9.8%</b>

## Sales / Repayments<sup>(2)</sup>

Name	Amount (\$'s Sold/Repaid)	YTM at Cost <sup>(4)</sup>
	\$14.0	7.6%
	\$11.9	9.1%
	\$11.4	10.1%
	\$10.1	10.0%
	\$5.4	6.8%
	\$5.1	8.5%
	\$5.0	7.3%
Other	\$22.2	8.9%
<b>Total Sales / Repayments</b>	<b>\$85.1</b>	<b>8.8%</b>

	As of 12/31/12	Q1 Originations	Q1 Sales / Repayments	As of 3/31/13
<b>Cost</b>	\$976.2	\$112.0	(\$85.1)	\$1,005.4 <sup>(5)</sup>
<b>YTM at Purchase / Cost</b>	10.3%	9.8%	8.8%	10.4%

<sup>1</sup> Origination commitments over \$7.5m shown, originations less than \$7.5m included in "Other"; excludes PIK, revolvers, and bridges

<sup>2</sup> Sales and repayments over \$5.0m shown, sales and repayments less than \$5.0m included in "Other"

<sup>3</sup> Assumes that investments are purchased at purchase price on settlement date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. See "Important Notice and Safe Harbor Statement."

<sup>4</sup> References to "YTM at Cost" have the same assumptions as YTM except that investments are purchased at adjusted cost (estimated) rather than fair value on the later of 3/31/13 or the settlement date (see footnote 2 on p. 20 for "Adjustments") and the LIBOR curve as of 3/31/13 is used for all periods shown

<sup>5</sup> Will not sum across due to amortization, PIK, realized gain / loss, and revolvers

# Investment Activity Since Quarter End (Through 5/3/13)

(\$ in millions, unaudited)

## Portfolio Originations<sup>(1)</sup>

Date <sup>(2)</sup>	Name	Industry	Amount (\$'s Invested)	Tranche Size	Type of Investment	Advance Rate	YTM at Purchase <sup>(3)</sup>	
							Unlevered	Levered
5/3/13		Energy	\$20.0	\$96	Preferred Equity	N/A	18.1%	18.1%
5/1/13	Company X*	Healthcare Products	\$14.9	\$75	2 <sup>nd</sup> Lien	25% <sup>(5)</sup>	10.8%	13.1%
	Other		\$10.1				Non-SLF: 11.2%	Non-SLF: 12.4%
	<b>Total Originations</b>		<b>\$45.0</b>				<b>SLF: N/A<sup>(4)</sup></b>	<b>SLF: N/A<sup>(4)</sup></b>
	Repayments		(\$41.4)					
	<b>Net Originations</b>		<b>\$3.6</b>					
	Sales		—					
	<b>Net Originations less Sales</b>		<b>\$3.6</b>					

\* Indicates investment has not closed. Actual terms (including amount of investment) are subject to change.

## Investment Pipeline

- Over \$100 million of potential investments in near-term pipeline
- Over \$125 million additional in earlier-stage pipeline

<sup>1</sup> Origination commitments over \$7.5m shown, originations less than \$7.5m included in "Other"; excludes PIK, revolvers, and bridges

<sup>2</sup> Date of commitment; where multiple trade dates, the first trade date is listed

<sup>3</sup> Assumes that investments are purchased at purchase price on settlement date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. See "Important Notice and Safe Harbor Statement."

<sup>4</sup> Weighted average YTM; SLF includes all assets with 70% advance rate

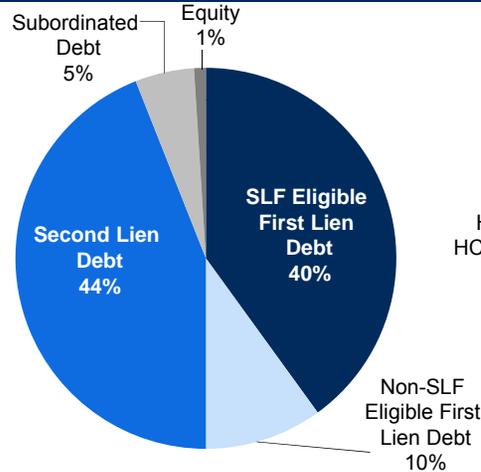
<sup>5</sup> Assumed leverage – not yet approved in credit facility; assumption based on advance rate for comparable assets

# Investment Portfolio Review

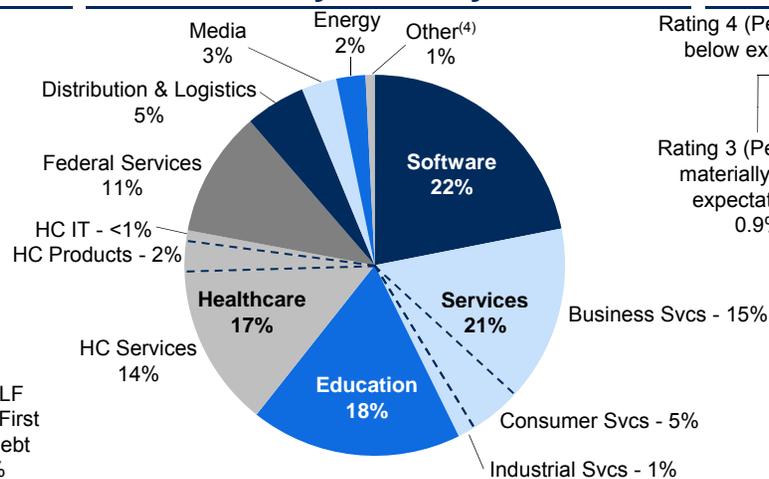
(unaudited)	3/31/13	12/31/12	9/30/12	6/30/12	IPO - 6/30/11 <sup>(5)</sup>
Fair Value	\$1,031 million	\$990 million	\$859 million	\$751 million	\$544 million
YTM <sup>(1)</sup>	9.8%	10.1%	9.9%	10.7%	10.4%
YTM at Cost <sup>(2)</sup>	10.4%	10.3%	10.2%	10.5%	9.6%
# Portfolio Companies	61	63	58	56	47
Middle Market Focus (% <\$100m EBITDA <sup>(3)</sup> / % Facilities <\$300m)	75% / 77%	77% / 79%	75% / 77%	78% / 81%	80% / 85%

## Fair Value as of 3/31/13

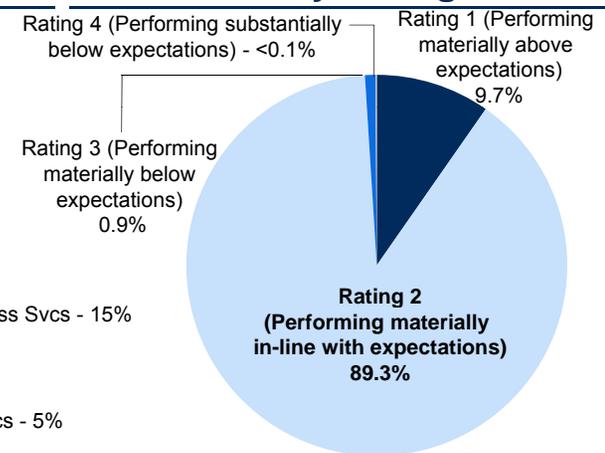
### By Type of Investment



### By Industry



### By Rating



<sup>1</sup> References to "Yield to Maturity" assume that the accruing investments in our portfolio as of a certain date, the "Portfolio Date", are purchased at fair value on that date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. This calculation excludes the impact of existing leverage. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. See "Important Notice and Safe Harbor Statement."

<sup>2</sup> References to "YTM at Cost" have the same assumptions as YTM except that investments are purchased at adjusted cost (estimated) rather than fair value on the Portfolio Date (see footnote 2 on p. 20 for "Adjustments") and the LIBOR curve as of 3/31/13 is used for all periods shown

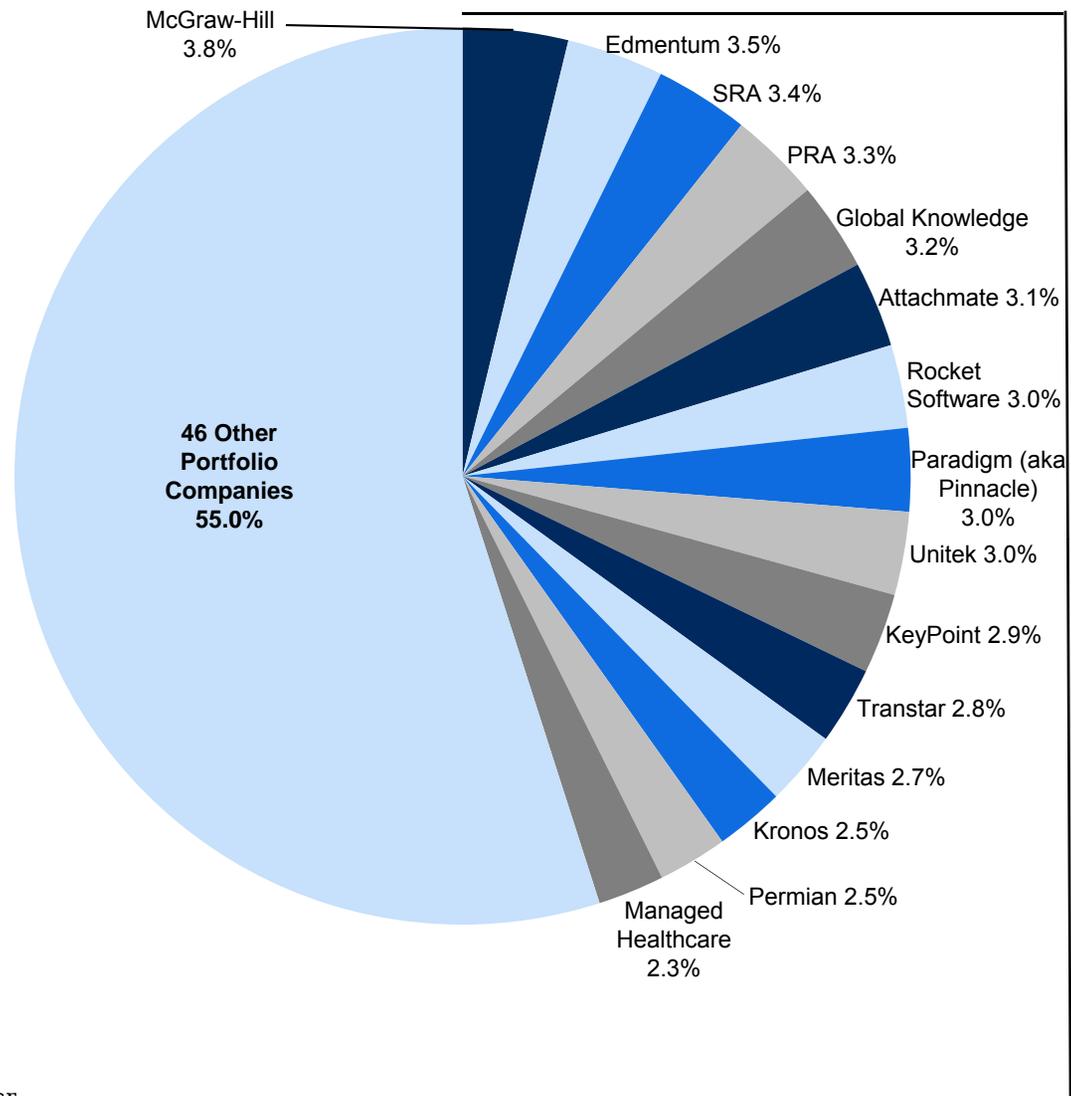
<sup>3</sup> LTM EBITDA at the time of investment, weighted by fair value

<sup>4</sup> Includes 1% information technology and <1% power generation

<sup>5</sup> NMFC priced its initial public offering on 5/19/2011

# Investment Portfolio Review – As of 3/31/2013

**Portfolio Names By Fair Value**



Top 15 portfolio companies represent \$463.8 million, or 45.0%, of consolidated investments

Memo: Top 15 Portfolio Companies

<b>As of</b>		
<b>12/31/2012</b>	<b>9/30/2012</b>	<b>6/30/2012</b>
\$440.3m	\$417.3m	\$353.1m
44.5%	48.6%	47.0%

# Net Asset Value – As of 3/31/2013

(\$ in millions, unaudited)

## Net Asset Value<sup>(1)</sup>

<b>Consolidated NAV</b>		<b>Memo: NAV / Share</b>	
Portfolio	\$1,030.9	12/31/12	\$14.06
Cash & Equivalents	15.9	9/30/12	\$14.10
Other Assets <sup>(2)</sup>	16.6	6/30/12	\$13.83
Total Assets	1,063.4	3/31/12 <sup>(4)</sup>	\$13.82
		12/31/11	\$13.60
Less: Total Debt	(430.2)	9/30/11	\$13.32
Less: Other Liabilities <sup>(3)</sup>	(22.7)	6/30/11 <sup>(5)</sup>	\$13.98
<b>NAV</b>	<b>\$610.5</b>	At IPO	\$13.94
		<b>Memo: Debt / Equity</b>	
Shares Outstanding ( <i>millions</i> )	42.6	12/31/12	0.74x
<b>NAV / Share</b>	<b>\$14.31</b>	9/30/12	0.65x
		6/30/12	0.73x
<b>Debt / Equity</b>	<b>0.70x</b>	3/31/12	0.75x
		12/31/11	0.70x
		9/30/11	0.55x
		6/30/11	0.37x

<sup>1</sup> Financials for OpCo unless otherwise noted

<sup>2</sup> Includes interest and dividends receivable of \$9.5m, deferred credit facility costs of \$5.4m, receivable from affiliates of \$0.5m and other assets of \$1.2m

<sup>3</sup> Includes dividends payable of \$5.5m, incentive fee payable of \$10.5m, management fee payable of \$3.6m, interest payable of \$0.8m, and other liabilities of \$2.3m

<sup>4</sup> 3/31/2012 NAV / share adjusted for payment of special dividend

<sup>5</sup> 6/30/2011 NAV / share adjusted for payment of Q2 dividend

# OpCo Adjusted Consolidated Income Statement by Quarter

(\$ in millions, unaudited)<sup>(1)</sup>

	Three Months Ended 3/31/2013			Adj. Three Months Ended		
	Unadjusted	Adjustments <sup>(2)</sup>	Adjusted	12/31/2012	9/30/2012	6/30/2012
<b>Investment income</b>						
Interest income	\$25.0	(\$0.5)	\$24.5	\$22.7	\$20.6	\$19.3
Dividend and other income	0.3		0.3	1.2	0.4	0.2
Total investment income	25.3	(0.5)	24.8	23.9	20.9	19.5
<b>Expenses</b>						
Management fee	3.6		3.6	3.2	2.8	2.6
Incentive fee	3.5		3.5	3.4	3.0	2.7
Interest and other credit facility expenses	3.1		3.1	2.8	2.4	2.4
Professional fees (net of reimbursable expenses of \$0.5, \$0.5, \$0.2, and \$0.1)	0.1		0.1	0.3	0.2	0.3
Administrative expenses (net of reimbursable expenses of \$0.3, \$0.5, \$0.3, and \$0.3)	0.4		0.4	0.3	0.3	0.2
Other general and administrative expenses	0.4		0.4	0.4	0.4	0.3
Total expenses	11.0		11.0	10.3	9.0	8.6
<b>Net investment income</b>	<b>14.3</b>	<b>(0.5)</b>	<b>13.8</b>	<b>13.6</b>	<b>11.9</b>	<b>10.9</b>
Net realized gains (losses) on investments	1.0	(0.5)	0.6	2.7	1.4	7.5
Net change in unrealized (depreciation) appreciation of investments	11.9	1.0	12.8	1.6	11.5	(7.2)
Capital gains incentive fees	(2.7)		(2.7)	(0.9)	(2.6)	(0.1)
<b>Net increase (decrease) in capital resulting from operations</b>	<b>\$24.6</b>		<b>\$24.6</b>	<b>\$17.0</b>	<b>\$22.2</b>	<b>\$11.1</b>
<b>Adjusted NII per weighted average share</b>			<b>\$0.34</b>	<b>\$0.36</b>	<b>\$0.33</b>	<b>\$0.35</b>

<sup>1</sup> Numbers may not add due to rounding; adjustments sum to zero

<sup>2</sup> Under GAAP, NMFC's IPO did not step-up the cost basis of the Company's existing investments to fair market value at the IPO date. Since the total value of the Company's investments at the time of the IPO was greater than the investments' cost basis, a larger amount of amortization of purchase or original issue discount, as well as different amounts in realized gain and unrealized appreciation, may be recognized under GAAP in each period than if the step-up had occurred. The Company tracks the transferred (or fair market) value of each of its investments as of the time of the IPO and, for purposes of the incentive fee calculation, adjusts Pre-Incentive Fee Net Investment Income to reflect the amortization of purchase or original issue discount on our investments as if each investment was purchased at the date of the IPO, or stepped up to fair market value. The Company also uses the transferred (or fair market) value of each of its investments as of the time of the IPO to adjust capital gains or losses and unrealized capital depreciation

# Dividend – Q1 2013

(\$ in millions, unaudited)

	IPO <sup>(1)</sup> 6/30/2011	6/30/2012	9/30/2012	12/31/2012	3/31/2013	Estimated 6/30/2013
Net Asset Value	\$440.6	\$427.7	\$520.4	\$569.9	\$610.5	
NAV / Share	\$13.98 <sup>(2)</sup>	\$13.83	\$14.10	\$14.06	\$14.31	
Pre-Incentive Fee Adjusted NII	\$8.9	\$13.6	\$14.9	\$17.0	\$17.4	\$17.3 - \$18.9
Adjusted NII	\$8.4	\$10.9	\$11.9	\$13.6	\$13.8	\$13.9 - \$15.1
<b>Adjusted NII / Weighted Average Shares</b>	<b>\$0.27</b>	<b>\$0.35</b>	<b>\$0.33</b>	<b>\$0.36</b>	<b>\$0.34</b>	<b>\$0.33 - \$0.35</b>
<b>Regular Dividend / Share</b>	<b>\$0.27</b>	<b>\$0.34</b>	<b>\$0.34</b>	<b>\$0.34</b>	<b>\$0.34</b>	<b>\$0.34</b>
Special Dividend / Share	-	\$0.23	-	\$0.14	-	-

**We believe our Q2 2013 Adjusted NII will be in the \$13.9 – \$15.1 million range.  
Our board of directors has declared a second quarter dividend of \$0.34 per share.**





**NEW MOUNTAIN FINANCE  
CORPORATION**

# Appendix A: Structure Chart

