

# INVESTOR RELATIONS

## Tax Characterization of 2011 Dividends

Information on dividends paid by Oxford Lane Capital Corp. (NasdaqGS: OXLC) for 2011 is provided below.

| Record Date                                | Payment Date | Total Paid<br>Per Share | Ordinary Income Per Share |               | Long Term Capital<br>Gains Per Share (2) | Return of<br>Capital (3) |
|--|--------------|-------------------------|---------------------------|---------------|--|--------------------------|
|  |              |                         | Non-qualified             | Qualified (1) |  |                          |
| 3/21/2011                                  | 4/1/2011     | \$0.25                  | 0.25                      | 0.00          | 0.00                                     | 0.00                     |
| 6/16/2011                                  | 6/30/2011    | \$0.50                  | 0.50                      | 0.00          | 0.00                                     | 0.00                     |
| 9/16/2011                                  | 9/30/2011    | \$0.50                  | 0.50                      | 0.00          | 0.00                                     | 0.00                     |
| 12/16/2011                                 | 12/30/2011   | <u>\$0.50</u>           | <u>0.50</u>               | <u>0.00</u>   | <u>0.00</u>                              | <u>0.00</u>              |
| <b>Total</b>                               |              | <b>\$1.75</b>           | <b>1.75</b>               | <b>0.00</b>   | <b>0.00</b>                              | <b>0.00</b>              |
| <b>% of Total Dividends Paid Per Share</b> |              | <b>100.00%</b>          | <b>100.00%</b>            | <b>0.00%</b>  | <b>0.00%</b>                             | <b>0.00%</b>             |

- (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 amounts eligible for treatment as capital gain dividends in accordance with IRC Sections 852(b)(3) and 854(a).
- (3) 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.

OXLC's 2011 dividends included approximately \$1.75 per share as a distribution of ordinary income.

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