



MVC Capital Announces First Quarter Fiscal 2010 Results

PURCHASE, N.Y., Mar 11, 2010 (BUSINESS WIRE) -- MVC Capital, Inc. (NYSE: MVC), a publicly traded business development company that makes private equity and debt investments, today announced its financial results for the quarter ended January 31, 2010.

As of January 31, 2010, the Company's net assets were approximately \$428.7 million, or \$17.64 per share, compared with net assets of approximately \$424.5 million, or \$17.47 per share, at the beginning of the quarter and \$419.8 million, or \$17.28 per share, at the end of the same period last year. During the quarter, the Valuation Committee, which is comprised of three independent directors, adjusted the fair values of 10 portfolio companies, resulting in a net increase of approximately \$0.8 million or \$0.03 per share. In arriving at these determinations and consistent with the Company's valuation procedures and FAS 157, which is codified as ASC 820, the Valuation Committee took into account a variety of factors, including the performance of the portfolio companies, as well as the impact of changes in market multiples within certain sectors and fluctuations in currency valuations.

The proceeds from the sale of Vitality Foodservice, Inc. to Nestle Professional, which closed on December 29, 2009, resulted in an aggregate net increase of approximately \$2.3 million to the Fund's net asset value or \$0.09 per share during the first quarter of 2010. The total amount of the proceeds realized was 10% higher than MVC's fair valuation for the investment prior to MVC's initial discussion with Nestle. MVC used part of the approximately \$30.9 million of gross proceeds from the sale to pay down approximately \$12.3 million of the revolving credit facility. Additionally, the Company announced on March 10, 2010 and subsequent to the end of the quarter, that it has entered into an agreement for its interest in Dakota Growers Pasta Company, Inc. to be acquired by Viterra Inc. (TSX: VT) for approximately \$38 million, which represents a premium of 6.2% to the Fund's carrying value as of January 31, 2010. Taking into account the receipt of the sale proceeds upon the closing of the transaction and based on the Fund's current position, the Fund's debt, net of cash, would be approximately zero.

In the first quarter of 2010, the Company earned approximately \$6.9 million in interest and dividend income and approximately \$0.94 million in fee and other income, representing an increase in total operating income of approximately \$1.2 million, as compared to the same quarter in 2009. The primary reason for the increase in total operating income resulted from an annual dividend received from Dakota Growers.

The Company also reported net operating income of approximately \$2.9 million for the first quarter, as compared to net operating income of \$2.6 million for the same quarter in 2009. Although the Company accrued a higher incentive compensation expense during the quarter as compared to the same quarter in 2009, net operating income was higher as a result of a reduction of interest expense and continued cost containment measures, which enabled reductions across most operating expense items.

During the quarter, the Company made one follow-on investment in Harmony Pharmacy and Health Center, Inc. and no new investments. The Company continued its efforts to manage the portfolio prudently, including working with its portfolio companies and their management teams to seek to enhance performance and uncover potential exit opportunities.

"Our disciplined investment approach coupled with the proceeds from the Vitality transaction enabled us to grow our net asset value in the first quarter," said Michael Tokarz, Chairman and Portfolio Manager of MVC Capital. "Looking forward, we remain committed to our strategy of focusing on stable, growing companies and maintaining our conservative capitalization while continuing to uncover creative ways to enhance liquidity while taking advantage of unique growth opportunities."

As of January 31, 2010, the Company had 38 investments across 27 industries with approximately 77.5% of the fair values of those investments held domestically and approximately 22.5% held internationally. The portfolio breakdown between common equity and yielding investments as of January 31, 2010, was 68.0% and 32.0%, respectively.

MVC-G

About MVC Capital, Inc.

MVC is a business development company traded on the New York Stock Exchange that provides long-term debt and equity investment capital to fund growth, acquisitions and recapitalizations of companies in a variety of industries. For additional information about MVC, please visit the MVC's website at www.mvccapital.com. For MVC's investor relations, please call 914-510-9400. All media inquiries should be directed to Nathaniel Garnick at 212-687-8080.

Forward-Looking Statements

The information contained in this press release contains forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results and conditions to differ materially from those projected in these forward-looking statements, and these factors are enumerated in the company's periodic filings with the Securities and Exchange Commission.

SOURCE: MVC Capital, Inc.

MVC Capital, Inc.

Investor Relations, 914-510-9400

or

Media Inquiries:

Nathaniel Garnick, 212-687-8080

Copyright Business Wire 2010