



MVC Capital Announces Second Quarter Fiscal 2010 Results

PURCHASE, N.Y., Jun 01, 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 second fiscal quarter ended April 30, 2010.

As of April 30, 2010, the Company's net assets were approximately \$434.7 million, or \$17.89 per share, compared with net assets of approximately \$428.7 million, or \$17.64 per share, at the beginning of the quarter and \$409.1 million, or \$16.84 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 five portfolio companies, resulting in a net increase of approximately \$7.8 million or \$0.32 per share. In arriving at these determinations and consistent with the Company's valuation procedures and ASC 820 (formerly FAS 157), 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.

In the second quarter of 2010, the Company earned approximately \$4.6 million in interest and dividend income and approximately \$738,000 in fee and other income, representing a decrease in total operating income of approximately \$421,000 as compared to the same quarter in 2009. The primary reason for the decline in total operating income was the reduction in dividend income received as a result of the sale of Vitality Foodservice, Inc. to Nestlé Professional at the end of December 2009.

The Company reported a net operating loss of approximately \$892,000 for the second quarter, as compared to net operating income of \$1.7 million for the same quarter in 2009. The Company accrued a higher incentive compensation expense during the quarter as compared to the same quarter in 2009, as a result of the increase in unrealized gains within the portfolio. The Company continued cost containment measures, which enabled reductions across most operating expense items.

During the quarter, the Company renewed its secured term credit facility for three years. The \$50 million facility which will expire in April 2013, has an interest rate of LIBOR plus 450 basis points with a 1.25% LIBOR floor.

During the quarter, the Company made two follow-on investments in SGDA Europe and Security Holdings B.V., committing additional capital of \$6.2 million. Also during the quarter, the Company received penny warrants in Integrated Packaging Corporation in exchange for financial advice provided. The Company continued its efforts to manage its portfolio prudently, including working with its portfolio companies and their management teams to seek to enhance performance and uncover potential exit opportunities. During the second quarter, the Company exited three portfolio holdings including Innovative Brands, Henry Company and Phoenix Coal Corporation. Additionally, Amersham Corporation repaid its senior notes. Subsequent to the quarter end, the Company announced the closing of the sale of Dakota Growers Pasta Company to Viterra, Inc. posting a 27.6% IRR.

"Fiscal 2010 to date has been an active year for the Company," said Michael Tokarz, Chairman and Portfolio Manager. "Within the last 200 days, we have exited five investments representing 16.5% of the value of our portfolio as of October 31, 2009. These successful exits combined with our credit facility extension, provide the Company with ample capital to take advantage of investment opportunities in the market."

As of April 30, 2010, the Company had 36 investments across 26 industries with approximately 76% of the fair values of those investments held domestically and approximately 24% held internationally. The portfolio breakdown between common equity and yielding investments as of April 30, 2010, was 71% and 29%, 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