



MVC Capital Announces First Quarter Fiscal 2009 Results

PURCHASE, N.Y., Mar 09, 2009 (BUSINESS WIRE) -- MVC Capital, Inc. (NYSE: MVC) (the "Company"), a publicly traded business development company that makes private equity and debt investments, today announced its financial results for the first quarter ended January 31, 2009.

As of January 31, 2009, the Company's net assets were approximately \$419.8 million, or \$17.28 per share, compared with net assets of approximately \$421.9 million, or \$17.36 per share, at the beginning of the quarter and \$387.5 million, or \$15.95 per share, at the end of the same period last year. During the quarter, the Valuation Committee, which is comprised of three independent directors, determined to adjust the fair values of 11 portfolio companies, resulting in an aggregate net decrease of \$2.8 million or \$0.11 per share. In arriving at these determinations and consistent with FAS 157, the Valuation Committee of the Board of Directors took into account a variety of factors including, the growth of various portfolio companies as well as declining market multiples. Although many of the Fund's portfolio companies were able to grow their businesses during the period, the erosion of public comparables in some cases offset this growth, resulting in downward valuation pressure on certain companies.

During the first quarter of 2009, the Company earned approximately \$5.8 million in interest and dividend income and approximately \$800K in fee and other income, representing a decrease in total operating income of approximately \$2.3 million, as compared to the same quarter in 2008. The primary reasons for the decline in total operating income resulted from further reductions in LIBOR rates since the first quarter of 2008, repayments of yielding investments, interest reserves accrued against non-performing loans and decreased investment activity.

As a result of the reduced operating income, the Company also reported net operating income of approximately \$2.6 million for the first quarter, as compared to net operating income of approximately \$3.3 million for the same quarter in 2008.

During the quarter, the Company made no new and only one follow-on investment. The Company continued, however, to concentrate its efforts on enhancing portfolio performance and fostering further growth.

"The global financial crisis has continued to present difficult challenges for most industries and businesses," said Michael Tokarz, Chairman and Portfolio Manager of MVC Capital. "However, given the overall performance of the MVC portfolio, our strategy of focusing on stable, growing companies and our conservative capitalization, we believe we are positioned for the future."

As of January 31, 2009, the Company had 41 investments across 28 industries with 75.7% of the fair market values of those investments held domestically and 24.3% held internationally. The portfolio breakdown between common equity and yielding investments as of January 31, 2009 was 64.5% and 35.5%, respectively.

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About MVC Capital, Inc.

MVC Capital 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 Capital, please visit MVC's website at <http://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

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