



MVC Capital Announces Second Quarter Fiscal 2009 Results

PURCHASE, N.Y., Jun 04, 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 second quarter ended April 30, 2009.

As of April 30, 2009, the Company's net assets were approximately \$409.1 million, or \$16.84 per share, compared with net assets of approximately \$419.8 million, or \$17.28 per share, at the beginning of the quarter and \$401.7 million, or \$16.53 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 eight portfolio companies, resulting in a net decrease of \$0.45 per share or \$10.9 million. 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 reduced market multiples as well as the growth of various portfolio companies.

During the second quarter of 2009, the Company earned approximately \$5.8 million in total operating income, consisting of \$5.2 million in interest and dividend income and \$605,670 in fee and other income, which represents 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 were repayments of yielding investments, reductions in LIBOR rates which impact the Company's variable rate loans, interest reserves accrued against non-performing loans and decreased investment activity.

The Company also reported net operating income of approximately \$1.7 million for the second quarter, as compared to net operating income of \$507,487 for the same quarter in 2008. The primary reason for the increase in net operating income over last year was a decreased provision for incentive compensation accrual in fiscal 2009.

During the quarter, the Company made follow-on investments in Harmony Pharmacy and Health Center, Inc. and MVC Partners LLC and no new investments. The Company continued its efforts to manage the portfolio prudently while working with its portfolio companies and their management teams to enhance performance, despite a continued challenging economic environment.

"Although the financial crisis has created challenges for many businesses, we are fortunate to have assembled a good mix of stable growth companies in a variety of industries," said Michael Tokarz, Chairman and Portfolio Manager of MVC Capital. "Our prudent investment approach and our ability to select talented management teams, coupled with our ability to unlock various growth impediments, have enabled us to grow our net asset value over the last year despite general market conditions. With our continued low leverage and some recently improving macro-economic indicators, we are cautious, but hope to take advantage of unique opportunities going forward."

As of April 30, 2009, the Company had 41 investments across 28 industries with approximately 75% of the fair market values of those investments held domestically and approximately 25% held internationally. The portfolio breakdown between common equity and yielding investments as of April 30, 2009 was 64.6% and 35.4%, 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.

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