



## **MVC Capital Announces Third Quarter Fiscal 2011 Results**

PURCHASE, N.Y.--(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 third fiscal quarter ended July 31, 2011.

As of July 31, 2011, the Company's net assets were approximately \$409.1 million, or \$17.10 per share, compared with net assets of approximately \$414.3 million, or \$17.32 per share at the beginning of the quarter and \$417.2 million, or \$17.35 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 nine portfolio companies, resulting in a net decrease of approximately \$2.6 million or \$0.11 per share. In arriving at these determinations and consistent with the Company's valuation procedures and ASC 820, the Valuation Committee took into account a variety of factors, including the performance of the portfolio companies, the impact of changes in market multiples within certain sectors and fluctuations in currency valuations.

In the third quarter of 2011, the Company earned approximately \$2.5 million in interest and dividend income and approximately \$990,000 in fee and other income, representing a decrease in total operating income of approximately \$1.8 million as compared to the same quarter in 2010. The decrease in operating income over the same period last year was primarily due to the repayment of investments that provided the Company with current income, reserves against non-performing loans and a decrease in dividend income from the sale of portfolio companies.

The Company nearly broke even on its net operating income for the third quarter, as compared to net operating income of \$4.7 million for the same quarter in 2010. The Company decreased the provision for incentive compensation by approximately \$463,000 during the quarter as a result of unrealized depreciation within the portfolio.

The Company made four new investments and two follow-on investments during the quarter, committing total capital of approximately \$20.8 million. The Fund's new investments were made into JSC Tekers Holdings, Teleguam Holdings, LLC, Prepaid Legal Services, Inc., and RuMe, Inc. Follow-on investments were made in NPWT Corporation and Harmony Health & Beauty, Inc. Also during the quarter, the Company's Board of Directors approved another share repurchase program authorizing up to \$5.0 million in additional share repurchases.

"We are encouraged by our robust pipeline of investment opportunities and will continue to allocate capital in a disciplined manner based upon our cash resources," said Michael Tokarz, Chairman and Portfolio Manager. "We continue to work with our portfolio companies to uncover potential exit opportunities while also assisting them in enhancing their underlying value. Although we saw reductions in our NAV from the prior quarter, we continue to believe in our portfolio over the long-term and are optimistic about the prospects that lie ahead."

As of July 31, 2011, the Company had 36 investments across 27 industries with approximately 71% of the fair values of those investments held domestically and approximately 29% held internationally. The portfolio breakdown between equity and yielding investments as of July 31, 2011, was 77.2% and 22.8% respectively.

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### **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](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.*

MVC Capital, Inc.

Investor Relations, 914-510-9400  
or  
Media Inquiries  
Nathaniel Garnick, 212-687-8080

Source: MVC Capital, Inc.

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