



MVC Capital Announces Third Quarter Fiscal 2009 Results

PURCHASE, N.Y., Sep 08, 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 third quarter ended July 31, 2009.

As of July 31, 2009, the Company's net assets were approximately \$399.9 million, or \$16.46 per share, compared with net assets of approximately \$409.1 million, or \$16.84 per share, at the beginning of the quarter and \$417.4 million, or \$17.18 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 12 portfolio companies, resulting in a net decrease of \$0.55 per share or \$13.4 million. In arriving at these determinations and consistent with the Company's valuation procedures and 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.

During the third quarter of 2009, the Company earned approximately \$7.4 million in total operating income, consisting of \$5.4 million in interest and dividend income and \$2.0 million in fee and other income, which represents an increase in total operating income of \$605,820, as compared to the same quarter in 2008. The primary reason for the increase in total operating income was due to a portion of the fee income earned as a result of the Company's sponsoring its portfolio company, US Gas & Electric Inc., ("USGE"), in its acquisition of Energy Service Providers, Inc. ("ESPI").

The Company also reported net operating income of approximately \$6.0 million for the third quarter, as compared to net operating income of (\$1.4) million for the same quarter in 2008. The primary reasons for the increase in net operating income over the same period last year was increased total operating income, a decreased provision for incentive compensation accrual and lower borrowing costs.

During the quarter, the Company made two follow-on investments in SGDA Europe B.V. and Amersham Corporation, and no new investments. The Company continued its efforts to manage the portfolio prudently, including working with its portfolio companies. Also during the quarter, the Company sponsored the acquisition of ESPI by USGE, which required no further investment capital. As part of sponsoring the transaction, and as a result of providing a limited guarantee and short-term letter of credit, the Company was able to earn one-time fee income of approximately \$2.2 million, of which \$1.0 million will be recognized over time, and an increase in its ongoing annual management fee to \$650,000.

"We are dedicated to uncovering new opportunities and building our portfolio companies and their market segments to take advantage of growth opportunities for our shareholders through operating enhancements and strategic consolidations," said Michael Tokarz, Chairman & Portfolio Manager of MVC Capital.

As of July 31, 2009, the Company had 40 investments across 28 industries with approximately 75.1% of the fair market values of those investments held domestically and approximately 24.9% held internationally. The portfolio breakdown between common equity and yielding investments as of July 31, 2009 was 63.6% and 36.4%, 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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