



## **MVC Capital Announces Third Quarter Fiscal 2010 Results**

PURCHASE, N.Y., Sep 09, 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 third fiscal quarter ended July 31, 2010.

As of July 31, 2010, the Company's net assets were approximately \$417.2 million, or \$17.35 per share, compared with net assets of approximately \$434.7 million, or \$17.89 per share, at the beginning of the quarter and \$399.9 million, or \$16.46 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 six portfolio companies, resulting in a net decrease of approximately \$18.0 million or \$0.75 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 2010, the Company earned approximately \$4.4 million in interest and dividend income and approximately \$905,000 in fee and other income, representing a decrease in total operating income of approximately \$2.2 million as compared to the same quarter in 2009. The primary reasons for the decline in total operating income were the reduction in dividend income received as a result of the sale of Vitality Foodservice, Inc. (to Nestle Professional resulting in an IRR of approximately 19.1%), the reduction in interest income received due to prepayments in the loan portfolio, and reduced fee income.

The Company also reported net operating income of approximately \$4.7 million for the third quarter, as compared to net operating income of \$6.0 million for the same quarter in 2009. The Company decreased the provision for incentive compensation by approximately \$3.3 million during the quarter as a result of unrealized depreciation within the portfolio. The Company continued cost containment measures, which enabled reductions across certain operating expense items.

On April 23, 2010, the Company's Board of Directors approved a share repurchase program authorizing up to \$5.0 million in share repurchases. As of July 31, 2010, the Company repurchased 258,000 shares of MVC Capital's stock in the open market, with a total cost of approximately \$3.4 million which resulted in an increase to the net asset value per share of \$0.05. As previously announced during the second quarter, the Company closed the sale of Dakota Growers Pasta Company to Viterra, Inc. posting a 27.5% IRR, including dividends received and fees earned over the life of the investment. Also during the third quarter, the Company sold Vendio Services, Inc., a legacy investment to Alibaba.com (HK.1688) for cash, resulting in gross proceeds of \$2.9 million, excluding the value of the escrow held at approximately \$180,000 as of July 31, 2010. During the quarter, the Company made no new investments and no follow-on investments.

"Fiscal 2010 represents a year in which the Company continues to concentrate on its portfolio and operations," said Michael Tokarz, Chairman and Portfolio Manager. "Within the last three quarters, we have exited six investments, repurchased shares representing approximately 68% of our authorized program and refinanced our credit facility. During this time, we also added new investment opportunities to our pipeline and uncovered additional opportunities for our portfolio companies."

As of July 31, 2010, the Company had 34 investments across 25 industries with approximately 76% of the fair values of those investments held domestically and approximately 24% held internationally. The portfolio breakdown between equity and yielding investments as of July 31, 2010, was 69% and 31%, 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.*

SOURCE: MVC Capital, Inc.

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