

May 16, 2016

## MVC Capital Announces Results for Fiscal Fourth Quarter 2015, Fiscal Year 2015 and Fiscal First Quarter 2016

PURCHASE, N.Y., May 16, 2016 (GLOBE NEWSWIRE) -- MVC Capital, Inc. (NYSE:MVC), a publicly traded business development company that makes private debt and equity investments, today announced its financial results for the fiscal fourth quarter and fiscal year ended October 31, 2015 and the fiscal first quarter ended January 31, 2016.

### Recent Highlights

- | Up to date on financial statement filings
- | Earned interest income of \$5.0 million in the first quarter of 2016, compared to \$4.3 million for the first quarter of 2015; interest income of \$5.5 million for the fourth quarter of 2015, compared to \$3.5 million in the fourth quarter of 2014
- | Completed the sale of Ohio Medical Corporation for \$40 million<sup>1</sup>
- | Secured a \$50 million revolving credit facility
- | Paid 43<sup>rd</sup> consecutive quarterly dividend of \$0.135 per share or \$3.1 million to investors on January 8, 2016
- | Paid special dividend of \$0.17 per share or \$3.9 million to investors on January 8, 2016

"I am pleased to report that our Fund is now current with our financial statements," said Michael Tokarz, Chairman & Portfolio Manager of MVC Capital. "As large shareholders ourselves, the Board and I recognize that our Company's stock performance has not met expectations. With our filings now up-to-date, we can better focus on delivering value to shareholders. The recent asset sales and distributions received, including a \$10 million distribution booked in the second quarter of 2016 from a portfolio company, coupled with the closing of our revolving line of credit, should enable us to resume repurchasing our shares opportunistically."

### Financial Results

(Unaudited) (\$ in thousands except for per share data)	Quarter Ended				Year Ended			
	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	FY 2015	FY 2014
Total operating income	8,090	6,046	7,524	5,273	4,856	4,325	23,699	19,816
Management fee	1,979	1,900	1,899	2,066	1,980	2,121	7,845	8,681
Portfolio fees - asset management	187	187	189	187	204	386	767	986
Management fee - asset management	101	85	77	(18)	16	(126)	160	354
Administrative	958	1,685	1,136	1,325	1,159	942	5,305	3,672
Interest, fees and other borrowing costs	2,629	2,532	2,627	2,616	2,455	2,355	10,230	9,442
Net Incentive compensation	(2,230)	(771)	(3,404)	(3,462)	(2,120)	(2,339)	(9,757)	4,750
Total waiver by adviser	(532)	(37)	(38)	(37)	(38)	(37)	(150)	(150)
Tax expense	-	-	1	1	-	-	2	2
Net operating income before net realized and unrealized gains	4,998	465	5,037	2,595	1,200	1,023	9,297	1,579
Net decrease in net assets resulting from operations	(4,991)	(2,045)	(13,959)	(11,813)	(9,743)	(10,614)	(37,560)	(19,842)
Net decrease in net assets resulting from operations per share	(0.21)	(0.10)	(0.61)	(0.52)	(0.43)	(0.46)	(1.66)	(0.88)
Net asset value per share	12.43	12.95	13.18	13.93	14.58	15.15	12.95	15.15

In the fourth fiscal quarter of 2015, the Company earned \$5.5 million in interest income and \$582,000 in dividend, fee and other income compared to \$3.5 million and \$865,000 respectively for the same quarter of 2014.

The Company reported net operating income of \$465,000 for the fourth fiscal quarter of 2015, compared to net operating income of \$1.0 million for the same quarter of 2014.

For fiscal year 2015, the Company earned \$19.4 million in interest income, \$1.0 million in dividend income and \$3.3 million

in fee and other income, compared to \$14.2 million, \$1.2 million and \$4.5 million respectively for fiscal year 2014.

Net operating income totaled \$9.3 million for fiscal year 2015, compared to \$1.6 million for fiscal year 2014.

In the first fiscal quarter of 2016, the Company earned \$5.0 million in interest income and \$3.1 million in dividend and fee income, compared to \$4.3 million and \$569,000 respectively for the same quarter of 2015.

The increases in interest income for fiscal fourth quarter, fiscal year 2015 and fiscal first quarter 2016 periods were primarily due to the Company deploying proceeds from the sale of equity investments to invest in yielding investments.

The Company reported net operating income of \$5.0 million for the first fiscal quarter 2016, compared to net operating income of \$1.2 million for the same quarter in 2015.

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<sup>1</sup> \$40 million is the gross proceeds and assumes the full receipt of all escrow proceeds scheduled for various periods, with the final release of escrow proceeds scheduled for June 30, 2017 (18 months from the closing of the transaction).

### **Portfolio Adjustments**

As of October 31, 2015, the Company's net assets totaled \$294.1 million or \$12.95 per share compared with net assets of \$299.2 million, or \$13.18 per share at the beginning of the quarter and \$343.9 million, or \$15.15 per share at October 31, 2014.

During the fourth fiscal quarter of 2015, the Valuation Committee adjusted the fair values of 18 portfolio companies, resulting in a net decrease of \$3.6 million or \$0.16 per share.

During fiscal year 2015, the fair values of 24 portfolio companies were adjusted, resulting in a net decrease of \$52.2 million or \$2.30 per share.

As of January 31, 2016, the Company's net assets were \$282.2 million, or \$12.43 per share compared with net assets of \$294.1 million, or \$12.95 per share at the end of the prior quarter and \$331.1 million or \$14.58 per share at January 31, 2015.

During the first quarter of fiscal year 2016, the fair values of 21 portfolio companies were adjusted, resulting in a net decrease of \$10.4 million or \$0.46 per share.

The Valuation Committee took into account many 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, particularly in the Euro.

### **Quarterly and Annual Investment Activity**

During the fourth fiscal quarter of 2015, MVC made no new investments and made one follow-on investment of \$1.7 million in MVC Automotive Group B.V.

During fiscal year 2015, the Company made eight new investments and five follow-on investments totaling approximately \$62.4 million of which \$58.8 million or 94% were for yielding assets.

During the first quarter of fiscal year 2016, MVC made two new investments in Somotra NV, a wholly owned subsidiary of MVC Automotive Group GmbH, and Pride Engineering, LLC totaling approximately \$6.8 million and three follow-on investments in two portfolio companies, MVC Automotive Group GmbH and Legal Solutions Holdings, Inc., totaling approximately \$3.1 million.

### **Liquidity**

As of October 31, 2015, the Company had investments in portfolio companies totaling \$400.9 million and cash and cash equivalents of approximately \$10.3 million, excluding restricted cash of \$6.5 million.

As of January 31, 2016, MVC had investments in portfolio companies totaling \$358.5 million and cash and cash equivalents of \$26.7 million, excluding restricted cash of \$500,000 and no borrowings under its \$50 million revolving credit facility.

## **Dividends**

The Board of Directors declared a dividend of \$0.135 per share or a total of \$3.1 million during the fourth quarter of fiscal year 2015 that was paid on October 30, 2015 to shareholders of record on October 26, 2015.

For the fiscal year 2015, the Company paid dividends totaling \$0.540 per share, or approximately \$12.3 million.

During the first quarter of fiscal year 2016, the Board of Directors declared a dividend of \$0.135 per share, or a total of \$3.1 million and a special dividend of \$0.17 per share, or a total of \$3.9 million due to the realization of capital gains from the sale of certain portfolio companies. The first quarter dividends totaling \$7 million were paid on January 8, 2016 to shareholders of record on December 31, 2015.

Since implementing its dividend policy in July of 2005 and through April 30, 2016, MVC has paid forty-four consecutive quarterly dividends. To date, dividends paid through April 30, 2016 total approximately \$133 million or \$5.86 per share, including the special dividend of \$0.17 per share paid in January 2016.

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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).

## **Safe Harbor Statement and Other Disclosures**

*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, including: MVC Capital's ability to deliver value to all shareholders and execute its yield investment strategy; the performance of MVC Capital's investments; and changes in economic or financial market conditions and other factors that are enumerated in the Company's periodic filings with the Securities and Exchange Commission. MVC Capital disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release.*

*The press release contains unaudited financial results. For ease of review, we have excluded the word "approximately" when rounding the results.*

*There can be no assurance that future dividend payments will match or exceed historic ones, or that they will be made at all. There can be no assurance whether, when and to what extent MVC will repurchase shares, as the share repurchase program does not obligate MVC to acquire any specific number of shares and may be discontinued at any time. Share repurchases may also be subject to appropriate trading windows and are always subject to the ongoing discretion of our Portfolio Manager. This press release is for informational purposes only and is not an offer to purchase or a solicitation of an offer to sell shares of MVC's common stock. There is no assurance that the market price of MVC's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases, or that the program will enhance shareholder value over the long-term. There can be no assurance that MVC will achieve its investment objective.*

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