

August 29, 2016

MVC Capital Announces Fiscal Second Quarter 2016 Results

PURCHASE, N.Y., Aug. 29, 2016 (GLOBE NEWSWIRE) -- MVC Capital, Inc. (NYSE:MVC) (the "Company"), a publicly traded business development company that makes private debt and equity investments, announced its financial results for the fiscal second quarter ended April 30, 2016.

Q2 2016 Highlights

- ▮ Posted quarterly total operating income of \$15.9 million for the second quarter of 2016, compared to \$5.3M for the second quarter in 2015 and exceeding total operating income for all of fiscal 2015
- ▮ Earned net operating income of \$10.3 million as compared to \$2.6 million for the same quarter last year
- ▮ Increased net assets by \$6 million or \$0.26 per share
- ▮ Received a \$10.0 million unlevered distribution from earnings generated by one of our equity investments
- ▮ Paid 44th consecutive quarterly dividend of \$0.135 per share on April 29, 2016

"We continue to build our operating income with a long-term goal of raising our distributions to shareholders," said Michael Tokarz, Chairman & Portfolio Manager of MVC Capital.

Financial Results

(Unaudited) (\$ in thousands except for per share data)	Quarter Ended				Six Months Ended	
	Q2 2016	Q1 2016	Q2 2015	Q1 2015	April-16	April-15
Total operating income	15,855	8,090	5,273	4,856	23,945	10,129
Management fee	1,958	1,979	2,066	1,980	3,937	4,046
Portfolio fees - asset management	186	187	187	204	373	391
Management fee - asset management	86	101	(18)	16	187	(2)
Administrative	1,174	958	1,325	1,159	2,132	2,484
Interest, fees and other borrowing costs	2,497	2,629	2,616	2,455	5,126	5,071
Net Incentive compensation	1,135	(2,230)	(3,462)	(2,120)	(1,095)	(5,582)
Total waiver by adviser	(1,527)	(532)	(37)	(38)	(2,059)	(75)
Tax expense	1	-	1	-	1	1
Net operating income before net realized and unrealized gains	10,345	4,998	2,595	1,200	15,343	3,795
Net increase (decrease) in net assets resulting from operations	6,046	(4,991)	(11,813)	(9,743)	1,055	(21,556)
Net increase (decrease) in net assets resulting from operations per share	0.26	(0.21)	(0.52)	(0.43)	0.05	(0.95)
Net asset value per share	12.56	12.43	13.93	14.58	12.56	13.93

For the second quarter of 2016, the Company earned \$5.3 million in interest income and \$10.6 million in dividend and fee income, compared to \$4.8 million and \$485,282, respectively, for the second quarter of 2015.

The Company reported net operating income of \$10.3 million for the second quarter of 2016, compared to net operating income of \$2.6 million for the same quarter of 2015.

The increase in dividend and fee income for the second quarter 2016 was primarily due to the receipt of a \$10 million distribution from an MVC portfolio company on March 7, 2016.

Portfolio Adjustments

As of April 30, 2016, the Company's net assets were \$285.1 million, or \$12.56 per share, compared with net assets of \$282.2 million, or \$12.43 per share, at the end of the prior quarter and \$316.2 million, or \$13.93 per share, at April 30,

2015.

During the second quarter of fiscal year 2016, the fair values of 22 portfolio companies and escrow receivables were adjusted, resulting in a net decrease of \$4.3 million or \$0.19 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.

Liquidity

As of April 30, 2016, MVC had investments in portfolio companies totaling \$371.9 million and cash and cash equivalents of \$18.2 million, including approximately \$500,000 in restricted cash. There were no borrowings under MVC's \$50 million revolving credit facility.

Dividends

During the second quarter of fiscal year 2016, the Board of Directors declared a dividend of \$3.1 million or \$0.135 per share, paid on April 29, 2016 to shareholders of record on April 25, 2016.

Since implementing its dividend policy in July of 2005, MVC has paid forty-four consecutive quarterly dividends. Dividends paid through April 30, 2016 total approximately \$133 million or \$5.86 per share.

RuMe, Inc.

On June 8, 2016, just prior to the scheduled filing date for our Q2 2016 10-Q, MVC received notification that the former accounting manager at RuMe, Inc. ("RuMe") had sent an email accusing the company of certain accounting and financial reporting improprieties, as well as a number of personal grievances. Although RuMe represents only approximately 2.6% of MVC's total portfolio as of 4/30/16, the Company was compelled to delay filing its Form 10-Q, as RuMe's summary financial information is required to be included as part of MVC's financial results with the SEC. After a two-month investigation and re-valuation process, the value of RuMe for Q2 2016 remained unchanged as compared to the preliminary value ascribed to it prior to the investigation, though, certain accounting practices and procedures at RuMe were revised and/or adopted.

Other

MVC is currently planning to hold a shareholder call following the filing of its Q3 2016 10-Q. A press release announcing the call with the dial-in details will be distributed as soon as the details of the call are confirmed.

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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.

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 ability to buy back shares and continue to pay and grow MVC distributions; the performance and valuation 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 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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Source: MVC Capital

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