

September 9, 2016

MVC Capital Announces Fiscal Third Quarter and Nine Month 2016 Results

PURCHASE, N.Y., Sept. 09, 2016 (GLOBE NEWSWIRE) -- MVC Capital, Inc. (NYSE:MVC) (the Company), a publicly traded business development company (BDC) that makes private debt and equity investments, announced its financial results for the fiscal third quarter and nine-month period ended July 31, 2016.

Recent Highlights

- ┆ Total operating income of \$31.9 million for the nine month period ending July 31, 2016, compared to \$17.7 million for the same period in 2015
- ┆ Total operating income of \$8.0 million for the third quarter of fiscal 2016, compared to \$7.5 million for the same quarter in fiscal 2015
- ┆ Received a \$2.5 million dividend from a portfolio company in the third quarter of fiscal 2016
- ┆ Paid 45th consecutive quarterly dividend of \$0.135 per share on July 29, 2016

Financial Results

| | Quarter Ended | | | | Nine Month Period Ended | |
|---|---------------|---------|---------|---------|-------------------------|----------|
| | Q3 2016 | Q2 2016 | Q1 2016 | Q4 2015 | Jul-16 | Jul-15 |
| (Unaudited) (\$ in thousands except for per share data) | | | | | | |
| Total operating income | 8,005 | 15,855 | 8,090 | 6,046 | 31,950 | 17,653 |
| Management fee | 1,932 | 1,958 | 1,979 | 1,900 | 5,869 | 5,945 |
| Portfolio fees - asset management | 185 | 186 | 187 | 187 | 558 | 580 |
| Management fee - asset management | 60 | 86 | 101 | 85 | 247 | 75 |
| Administrative | 1,319 | 1,174 | 958 | 1,685 | 3,451 | 3,620 |
| Interest, fees and other borrowing costs | 2,488 | 2,497 | 2,629 | 2,532 | 7,614 | 7,698 |
| Net incentive compensation | (1,512) | 1,135 | (2,230) | (771) | (2,607) | (8,986) |
| Total waiver by adviser | (521) | (1,527) | (532) | (37) | (2,580) | (113) |
| Tax expense | - | 1 | - | - | 1 | 2 |
| Net operating income before net realized and unrealized gains | 4,054 | 10,345 | 4,998 | 465 | 19,397 | 8,832 |
| Net increase (decrease) in net assets resulting from operations | (3,536) | 6,046 | (4,991) | (2,045) | (2,481) | (35,515) |
| Net increase (decrease) in net assets resulting from operations per share | (0.16) | 0.26 | (0.21) | (0.10) | (0.11) | (1.56) |
| Net asset value per share | 12.27 | 12.56 | 12.43 | 12.95 | 12.27 | 13.18 |

For the third quarter, the Company earned \$5.0 million in interest income and \$3.0 million in dividend and fee income, compared to \$4.9 million and \$2.7 million, respectively, for the same quarter in fiscal 2015.

The Company reported net operating income of \$4.1 million for the third quarter, compared to \$5.0 million for the same quarter in fiscal 2015.

Portfolio Adjustments

As of July 31, 2016, the Company's net assets were \$278.5 million, or \$12.27 per share, compared with net assets of \$285.1 million, or \$12.56 per share, at the end of the prior fiscal quarter and \$299.2 million, or \$13.18 per share, at July 31, 2015.

During the third quarter of fiscal 2016, the fair values of 23 portfolio company securities and escrow receivables were adjusted, resulting in a net decrease of \$8.0 million or \$0.35 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 July 31, 2016, MVC had investments in portfolio companies totaling \$366.9 million and cash and cash equivalents of \$17.7 million, including approximately \$500,000 in restricted cash. There were \$2.0 million of borrowings under MVC's \$50 million revolving credit facility with Santander Bank N.A.

Dividends

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

Since implementing its dividend policy in July of 2005, MVC has paid forty-five consecutive quarterly dividends. To date, dividends paid through July 31, 2016 total approximately \$136 million or \$5.99 per share.

Other

The details of the shareholder call following the filing of MVC's Q3 2016 10-Q will be released shortly. The shareholder call is expected to take place at the end of September 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.

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 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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