



MVC Shareholders Approve Long-Term Plan for Fund

MENLO PARK, California - September 16, 2003 - MVC Capital (NYSE: MVC) today announced that Fund shareholders voted to implement the Board of Directors' long-term plan. At least 7.5 million votes were cast in favor of the plan, which represents 91 percent of the votes cast and 47 percent of the Fund's total outstanding shares.

Under the plan, the Fund will adopt an amended investment objective and strategy seeking to maximize total return from more traditional mezzanine investments, senior and subordinated loans and other private equity investments. Michael Tokarz, a private merchant banker and a former General Partner of Kohlberg Kravis Roberts & Co., will serve as the Chairman of the Board of Directors and Portfolio Manager of the Fund. Additionally, as part of the approved plan, the Fund will conduct a tender offer for 25% of MVC's outstanding shares at a price of 95% of the Fund's Net Asset Value. These measures will be implemented by the Board as soon as practicable.

MVC Capital is a Business Development Company traded on the New York Stock Exchange. For additional information about MVC, please contact Kim Levy or Keil Decker at 212-687-8080.