

MVC Capital Announces Investment in Baltic Motors Corporation

NEW YORK, NY - June 30, 2004 - MVC Capital (NYSE: MVC) today announced that the Fund has provided a \$4,500,000 mezzanine loan and \$6,000,000 in equity financing to Baltic Motors Corporation. Baltic Motors is a U.S. company focused on the importation and sale of Ford and Land Rover vehicles and parts throughout Latvia , a new entrant to the European Union as of May 1, 2004.

Baltic Motors is composed of three subsidiaries. The first, SIA Baltic Motors Imports, is currently the sole importer of Ford vehicles, parts and accessories, and is responsible for selecting all dealers and service centers within the country. The second subsidiary, SIA Baltic Motors Limited, operates Ford and Land Rover car dealerships in three locations within Latvia . The third subsidiary, SIA Baltic Ipashumu Fonds, controls the real estate holdings of Baltic Motors Corporation inclusive of all land and facilities.

Beyond Ford and Land Rover, Baltic Motors' relationship with Ford permits the importation of additional brands into Latvia and for potential expansion into other Baltic states . Recognizable brands include Mazda, Jaguar and Volvo. The company will be introducing the Ford Maverick, the European version of the Escape to Latvia in September 2004.

"We are excited about the growth prospects of our investment in Baltic Motors Corporation," said Michael Tokarz, Chairman and Portfolio Manager of MVC Capital. "The Baltic region - and especially Latvia - is a fast-growing market. With an excellent reputation and a very strong relationship with Ford, we believe Baltic Motors is well positioned to capitalize on brand expansion through other Baltic states."

Anthony Frenkel, founder of Baltic Motors, commented, "With the strong financial resources and support of MVC, we believe Baltic Motors will be in a better position to benefit from the growing automobile market in the Baltic region."

Following the closing of the acquisition, MVC will control the Board of Directors of Baltic Motors Corporation.

MVC Capital is a Business Development Company traded on the New York Stock Exchange that seeks to provide 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 contact Kim Levy or Keil Decker at 212-687-8080.

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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.