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PURCHASE, NY - August 9, 2004 - MVC Capital (NYSE: MVC) today announced that the Fund has provided a \$6,000,000 mezzanine loan and \$4,500,000 in equity financing to Timberland Machines & Irrigation, Inc. in conjunction with the company's purchase of the assets of The Sprinkler House and Timberland Machines divisions of Turf Products Corporation.

The Sprinkler House (TSH) is the leading chain of specialty irrigation wholesale outlets in New England, with thirteen locations across six states. TSH provides irrigation products and services to independent contractors throughout New England.

Timberland Machines (TMI) is engaged in the wholesale distribution and service of professional landscape and premium consumer outdoor power equipment. TMI has exclusive distribution rights for many leading brands, such as Exmark, Echo and Billy Goat and is the largest independent distributor of these products in the northeastern United States.

"Timberland Machines & Irrigation, Inc. is an exciting investment opportunity," said Michael Tokarz, Chairman and Portfolio Manager of MVC Capital. "The company's highly experienced management team, coupled with the integrity of its mission, is what attracted us to commit to this investment. We look forward to working with management and assisting them in pursuing their growth strategy."

Fred Zeytoonjian, CEO of Timberland Machines & Irrigation, Inc., commented, "We are delighted to have the opportunity to partner with Michael Tokarz and MVC, as they clearly understand the needs of entrepreneurial companies like TMI. At TMI, we strive for consistent growth and continuous improvement in our business. We have become the preferred vendor for landscape products in the Northeast due to our focus on being the most responsive and easiest company to do business with. Our management team has over 100 years of industry experience and looks forward to once again raising the bar in our industry with the support of MVC Capital."

Mark Zeytoonjian, President of Timberland Machines & Irrigation, Inc., commented, "Our partnership with MVC provides us with the capital necessary to more rapidly expand our landscape products businesses and further strengthen our leadership position in the Northeast. The resources of MVC and its financing expertise will be invaluable as we seek to execute on our long-term growth strategy."

Turf Products Corporation was advised by Advest, Inc. in this transaction.

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.