

## **New MVC Management Provides Investor Update**

**MENLO PARK, CA - April 23, 2003** - MVC Capital (NYSE: MVC), today announced that the valuation committee of the Fund's new Board of Directors has conducted its previously announced review of the Fund's portfolio holdings to determine the fair value of the Fund's non-cash investments. As a result of this process, the fair value of many of the Fund's holdings has been written down. Due primarily to these fair value changes, the Fund's net asset value (NAV) has decreased by \$25.9 million (\$1.61 per share), subject to review by the Fund's independent accountants. As of April 22, 2003, the Fund's NAV was \$ 156.1 million (\$9.66 per share), with \$112.7 million (\$6.98 per share) in short-term securities, cash and cash equivalents. The current NAV includes expenses incurred by the Fund associated with the proxy contest preceding the February 28, 2003 shareholder meeting.

Further details concerning the Fund's financial position, NAV and financial statements will be available in the Fund's Form 10-Q for the period ended January 31, 2003, which is expected to be filed in the coming weeks.

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