Virtus Investment Partners Amends Credit Facility, Issues Call Notice for 9,783 Preferred Shares

HARTFORD, Conn., Aug. 2 /PRNewswire-FirstCall/ -- Virtus Investment Partners, Inc. (Nasdaq: VRTS), which operates a multi-manager asset management business, today announced it has taken actions to enhance its long-term capital position by amending its credit facility and issuing a notice to call 9,783 shares of its outstanding Series B Convertible Preferred Stock.

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Virtus amended the terms of its existing $30.0 million credit facility to extend the maturity and provide more favorable interest rates and more flexible debt covenants. The amended facility extends the term of the original credit agreement to September 2013 and sets a maximum available credit limit of $30.0 million for the full term, subject to certain conditions. Under the original agreement, the current maximum available credit limit of $30.0 million would have declined to $18.0 million on September 1, 2010. The company currently has $15.0 million outstanding on the facility.

The agreement also provides the facility with a lower variable interest rate that is tied to standard benchmark rates, and revises certain debt covenants on terms that provide additional operating flexibility. BNY Mellon, as lead arranger and administrative agent, together with PNC Bank, National Association, constitute the lending group.

The company also announced that it has issued notice to exercise its right to call a portion of the Series B Convertible Preferred Stock held by Harris Bankcorp Inc., a subsidiary of Bank of Montreal. The convertible preferred stock, which has an 8 percent cumulative dividend, is owned by Harris under the terms of its $45.0 million investment in Virtus.

Under the terms of the investment agreement, Virtus has the right to call 9,783 of the 45,000 shares of outstanding preferred stock at a call price of $1,000 per preferred share, plus any unpaid accrued dividends. Harris, at its option, may convert the preferred shares into approximately 375,000 shares of common stock, representing a conversion price of $26.10 per share.

"Our improved financial results over the past year gave us the opportunity to restructure and extend the credit facility and provided the financial flexibility to exercise our option to call a portion of the preferred shares," said George R. Aylward, Virtus' president and chief executive officer. He noted that the exercise of the call provision, which was driven primarily by financial considerations including a $0.8 million reduction in annual preferred dividend payments, does not change Harris's board representation or other governance rights.

"These decisions will result in a lower-cost and more efficient capital structure, and give us the elements of a flexible, long-range capital management profile that is appropriate for a company of our size and in our industry," Aylward added.

About Virtus Investment Partners

Virtus Investment Partners (Nasdaq: VRTS) is a distinctive partnership of boutique investment managers singularly committed to the long-term success of individual and institutional investors. The company provides investment management products and services through its affiliated managers and select

provides investment management products and services through its affiliated managers and select subadvisers, each with a distinct investment style, autonomous investment process and individual brand. Virtus Investment Partners offers access to a variety of investment styles across multiple disciplines to meet a wide array of investor needs. Additional information can be found at www.virtus.com.

FORWARD-LOOKING STATEMENTS

This press release contains statements that are, or may be considered to be, forward-looking statements. All statements that are not historical facts, including statements about our beliefs or expectations, are "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. These statements may be identified by such forward-looking terminology as "expect," "estimate," "plan," "intend," "believe," "anticipate," "may," "should," or similar statements or variations of such terms.

Our forward-looking statements are based on a series of expectations, assumptions and projections about our company, are not guarantees of future results or performance, and involve substantial risks and uncertainty, including assumptions and projections concerning our assets under management, cash inflows and outflows, operating cash flows, expected cost savings, and future credit facilities, for all forward periods. All of our forward-looking statements are as of the date of this release only. The company can give no assurance that such expectations or forward-looking statements will prove to be correct. Actual results may differ materially.

Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including the following: (a) the effects of adverse market and economic developments on all aspects of our business; (b) any poor relative investment performance of our asset management strategies and any resulting outflows of assets; (c) any lack of availability of additional and/or replacement financing, as may be needed, on satisfactory terms or at all; (d) any inadequate performance of third-party relationships; (e) the withdrawal of assets from under our management; (f) our ability to attract and retain key personnel in a competitive environment; (g) the ability of independent trustees of our mutual funds and closed-end funds, and other clients, to terminate their relationships with us; (h) the possibility that our goodwill or intangible assets could become impaired, requiring a charge to earnings; (i) the strong competition we face in our business; (j) potential adverse regulatory and legal developments; (k) the difficulty of detecting misconduct by our employees, subadvisers and distribution partners; (l) changes in accounting or regulatory standards or rules; (m) the ability to satisfy the financial covenants under existing debt agreements; and (n) certain other risks and uncertainties described in our 2009 Annual Report on Form 10-K or in any of our filings with the Securities and Exchange Commission ("SEC").

Certain other factors which may impact our continuing operations, prospects, financial results and liquidity or which may cause actual results to differ from such forward-looking statements are discussed or included in the company's periodic reports filed with the SEC and are available on our website at www.virtus.com under "Investor Relations". You are urged to carefully consider all such factors.

The company does not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections, or other circumstances occurring after the date of this release, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. If there are any future public statements or disclosures by us which modify or impact any of the forward-looking statements contained in or accompanying this release, such statements or disclosures will be deemed to modify or supersede such statements in this release.

SOURCE Virtus Investment Partners, Inc.