

Broadview Networks to Acquire ATX Communications

Combination creates \$400M facilities-based CLEC in Northeast and Mid-Atlantic

Rye Brook, NY—June 27, 2006 -- Broadview Networks Holdings, Inc. today announced it has agreed to acquire ATX Communications, Inc., an integrated communications provider that serves business customers in the Mid-Atlantic region including Pennsylvania, New Jersey, Delaware, Maryland, Virginia and the District of Columbia. On a combined basis, the company will provide voice and data communications services to 75,000 business and 25,000 residential customers, representing more than 600,000 access line equivalents.

Together, Broadview and ATX will offer a wide variety of enhanced and managed services and hardware solutions to business customers. The combined company, which will be privately held, will generate annual revenues of approximately \$400 million, and will be powered by a network of 10 legacy and next generation switching centers and more than 230 collocations.

"We are extremely happy to have the opportunity to bring together two organizations that are focused on the same goals," said Michael K. Robinson, Chief Executive Officer of Broadview. "We are each committed to delivering innovative and cost-effective integrated voice and data solutions for our customers, with a passion for excellence in customer care. Our teams of customer-focused employees will share best practices and product sets, and our customers will benefit from the product and network resources each of us brings to our new organization."

"The combination of Broadview and ATX gives us a significant presence in 10 states in the Northeast and Mid-Atlantic U.S., including every major metro market," continued Robinson. "With \$400 million of revenue and 75,000 business customers, we are uniquely positioned to serve commercial accounts throughout our footprint."

Jeffrey D. Coursen, Chief Operating Officer of ATX Communications, commented on the benefits to ATX customers and employees. "Our alignment with Broadview Networks is yet another positive step in ATX's significant progress over the past few years. On top of the improvements we've achieved in operating profit, product offerings, service delivery, customer satisfaction and employee effectiveness, we now look forward to joining forces with Broadview to become an even more competitive, responsive source of technology and expertise for businesses."

Robinson added, "From the day we met Jeff and his team, we have felt that the two organizations share a commitment to be the best provider of integrated voice and data services in our markets. We are thrilled to have the ATX and Broadview teams join together to serve our customers."

Details of the transaction were not released. The transaction is expected to close in 90 to 120 days, and is subject to, among other conditions, obtaining final regulatory approvals. Deutsche Bank Securities Inc. and Willkie Farr & Gallagher LLP advised Broadview Networks.

About Broadview Networks (www.Broadviewnet.com)

Broadview Networks is a network-based electronically integrated communications provider (e-ICP) serving small and medium-sized businesses in the Northeastern United States. The Rye Brook, NY-based Company offers integrated communications solutions, including local, long-distance and international voice services; data services that encompass VPN and MPLS enabled offerings; hosted and premises-based VOIP systems; traditional telephone systems; and high-speed Internet services using DSL, T1 and T3 technologies. Customers receive a single, easy-to-understand bill and have a primary point of contact for real-time, personal customer care. Broadview is a control investment of MCG Capital Corporation (www.mcgcapital.com) (NASDAQ:MCGC). Broadview's largest investors are MCG Capital, Baker Capital (www.bakercapital.com) and New Enterprise Associates (www.NEA.com).

About ATX Communications (www.atx.com)

Integrating traditional and “next gen” Internet and voice communications, managed security services, and other mission-critical technologies, ATX makes it easy for small and mid-size businesses to understand and implement technologies that address key business issues. Founded in 1985, ATX is actively committed to building long-term relationships, constantly evolving to meet businesses’ changing needs.

About MCG Capital Corporation

MCG Capital is a publicly traded Business Development Company with approximately \$1.3 billion in total assets. MCG Capital is a solutions-focused specialized finance company providing financing and advisory services to middle market, growth-oriented companies throughout the United States. Our capital is generally used by our portfolio companies to finance acquisitions, recapitalizations, management buyouts, organic growth and working capital. To find out more about MCG Capital, visit www.mcgcapital.com.

About Baker Capital

Founded in 1995, Baker Capital is a New York based private equity firm with \$1.5 billion under management. Baker Capital invests in growth companies at all stages of development. The partners at Baker Capital have extensive private equity and operational experience allowing the firm to provide its portfolio companies with not only capital, but also global strategic thinking and relationships. To find out more about Baker Capital, visit www.bakercapital.com.

About NEA

New Enterprise Associates (NEA) is a leading venture capital firm focused on helping entrepreneurs create and build new enterprises that use technology to improve the way we live, work and play. Since its founding in 1978, the firm has followed the same basic principles: support their entrepreneurs, provide an excellent return to their limited partners and practice their profession with high standards and respect. Practicing classic venture capital for over 25 years, NEA focuses on investments at all stages of a company’s development, playing an active role in assisting management to build companies of lasting value. With \$6B under management, NEA’s experienced management team has invested in over 500 companies, of which more than 150 have gone public and more than 200 have been acquired. NEA has offices in Reston, Virginia, Menlo Park, California and Baltimore, Maryland. For additional information, visit www.nea.com.

Forward-looking Statement: *This press release contains forward-looking statements (i.e., statements that are not historical) describing future plans and objectives. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be incorrect. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this press release should not be regarded as a representation by us that our plans and objectives will be achieved. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this press release. We undertake no obligation to update such statements to reflect subsequent events.*

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