

BROADVIEW NETWORKS COMPLETES ACQUISITION OF INFOHIGHWAY COMMUNICATIONS

RYE BROOK, N.Y. – June 7, 2007 – Broadview Networks Holdings, Inc. today announced that on May 31, 2007 it completed the acquisition of InfoHighway Communications, a New York-based provider of hosted and managed communications solutions serving business customers in the Mid-Atlantic and Northeast regions of the U.S. The combined company serves approximately 80,000 small and mid-sized business customers in 20 markets from Maine to Virginia, including major metropolitan areas such as New York, Philadelphia, Boston, and the Baltimore-Washington corridor.

Broadview Networks continues to invest in its future growth through both organic means and strategic acquisitions. By focusing on its proven expertise in advanced communications solutions, the company delivers a comprehensive suite of integrated voice and data communications, hosted VoIP applications, and managed network solutions. The Broadview family, including InfoHighway (itself a combination of Eureka Broadband and InfoHighway) and ATX Communications, which joined the corporate family last year, generated annual revenues in excess of \$500 million in 2006 on a combined basis. With over 2,400 route miles of fiber, approximately 250 colocations, over 500 lit commercial office buildings, and more than 800,000 lines in service, the combined privately-held entity is powered by a state-of-the-art network of 11 switches featuring a core IP platform that supports MPLS throughout the entire footprint and metro-Ethernet capabilities throughout the major network hubs.

“The addition of InfoHighway is the latest of many major milestones for Broadview Networks,” said Michael K. Robinson, President and Chief Executive Officer of Broadview Networks. “As we successfully conclude the integration of Broadview and ATX, the timing is perfect to blend InfoHighway’s assets and talents into our expanding operations. The union of these three solid enterprises creates a leading competitive alternative for small and mid-size companies seeking a partner to help them meet their communications infrastructure, security, and productivity needs.

“Broadview is a very asset-rich company with strong customer relationships and significant network resources,” continued Robinson. “In addition to our traditional core businesses, we are very excited about major growth engines such as our hosted IP based PBX offerings, MPLS solutions, and the many managed services we’re entrusted to provide to our business customers. Over the coming months, as Broadview, ATX, and InfoHighway come together under the Broadview Networks name, we’re confident that our customers, employees, partners, and investors will see the tremendous power and promise of this newly formed company.”

Purchase consideration for the InfoHighway transaction included both cash and an equity interest in the combined company to be held by the former InfoHighway

stockholders. Broadview financed the cash consideration for the transaction with a portion of the proceeds of its May offering of \$90 million of additional 11 3/8% Senior Secured Notes due 2012. The remainder of the proceeds of the notes offering will be used for general corporate purposes and transaction expenses. The Senior Secured Notes were offered to qualified institutional buyers as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), to non-U.S. persons outside the United States under Regulation S of the Securities Act and to a limited number of institutional accredited investors within the meaning of Rule 501(a)(1), (2), (3) or (7) of the Securities Act. Broadview Networks has agreed to offer to exchange the Senior Secured Notes for notes registered under the Securities Act in 2007.

Willkie Farr & Gallagher LLP advised Broadview Networks. DH Capital, LLC advised InfoHighway Communications.

About Broadview Networks (www.Broadviewnet.com)

Broadview Networks is a network-based integrated communications provider serving approximately 80,000 small and mid-sized businesses throughout the Mid-Atlantic and Northeast regions of the U.S. The company delivers total solutions, integrating local and long distance voice communications; hosted and premise-based VoIP systems; data services encompassing VPN- and MPLS-enabled applications; traditional telephone hardware; high-speed Internet services; and a full suite of managed network security services. Broadview customers benefit from award-winning customer service including a web-based account management tool and a primary point-of-contact for real-time, personal customer care.

Broadview Networks is a control investment of MCG Capital Corporation (NASDAQ MCGC). Broadview Networks' largest investors are MCG Capital, Baker Capital, and New Enterprise Associates.

About InfoHighway Communications (www.infohighway.com)

InfoHighway Communications, headquartered in New York City, was created from the merger of Eureka Networks and InfoHighway. The company is a leading provider of hosted and managed communications solutions in the Northeastern U.S., providing small to medium-sized businesses with innovative, state-of-the-art, and competitively priced voice, data, and Internet services including hosted PBX, integrated T1, and high-speed Internet access up to 100 Mbps. The company was backed by several leading private equity firms including affiliates of Apollo Real Estate Advisors, Trimaran Capital Partners, Lazard Technology Partners, Gigaline and LLR Partners.

About MCG Capital Corporation (www.mcgcapital.com)

MCG Capital is a publicly traded business development company with approximately \$1.4 billion in total assets. MCG Capital is a solutions-focused commercial finance company providing capital and advisory services to middle market companies throughout the United States. The firm's capital is generally

used by portfolio companies to finance acquisitions, recapitalizations, buyouts, organic growth, and working capital.

About Baker Capital (www.bakercapital.com)

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.

About NEA (www.nea.com)

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 \$6 billion 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, VA, Menlo Park, CA and Baltimore, MD.

Forward-looking Statement: *This press release contains forward-looking statements 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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