



FOR IMMEDIATE RELEASE

BROADVIEW NETWORKS TO ACQUIRE INFOHIGHWAY COMMUNICATIONS

*Combination creates \$500M+ Provider of Communications and
Technology Solutions for Mid-Atlantic and Northeast Businesses*

RYE BROOK, NY – February 26, 2007 – Broadview Networks Holdings, Inc., a privately held, leading provider of integrated communications and managed security services, today announced that it has signed a definitive agreement to acquire 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. By delivering a comprehensive suite of integrated voice and data communications, hosted VoIP applications, and managed network solutions, the companies generated annual revenues in excess of \$500 million in 2006 on a combined basis.

“The InfoHighway acquisition represents an important step in the continued evolution and growth of Broadview Networks,” said Michael K. Robinson, President and Chief Executive Officer of Broadview. “This addition to the Broadview family increases our technological assets and expertise, giving us more competitive offerings to meet the growing demand for communications infrastructure, security, and productivity solutions among small and mid-size businesses. We will have robust direct and indirect sales channels and significant market density, particularly in New York, Pennsylvania, and New England.

“Broadview and InfoHighway,” continued Robinson, “will be powered by a carrier-grade network of 11 switches, a core IP platform that supports MPLS throughout the entire footprint, metro-Ethernet capabilities available throughout the major network hubs, over 2,300 route miles of fiber, more than 260 colocations, and over 500 lit commercial office buildings.”

Predominantly concentrated in the New York metropolitan area, InfoHighway currently serves more than 12,000 business customers, including an installed base of hosted PBX customers that ranks among the largest in the Northeast region.

“We are extremely proud of what our team has accomplished,” said Raul K. Martynek, President and Chief Executive Officer of InfoHighway. “Our unique building-centric network, strong agent distribution, customer loyalty, and track record of product innovation in the VoIP and hosted PBX arenas will be a great fit with Broadview. We firmly believe the combined entity will have the resources, people, and capabilities to be the leading solutions provider in what is among the largest business communications corridors in the world.”

“This combination is an important milestone for our customers, stockholders, employees, and business partners,” said Jeffrey E. Ginsberg, Chairman of InfoHighway. “Combined with Broadview, we will be part of an organization with the economies of scale, market density, financial strength, and entrepreneurial spirit to be more competitive than ever.”

“The Broadview Networks family has substantial experience integrating assets of complementary companies,” said Brian P. Crotty, Chief Operating Officer of Broadview. “We have had tremendous success leveraging combined operating assets and best practices – first during our

2005 merger with Bridgecom International, and currently with ATX Communications – to simultaneously produce a better end-product for our customers and improved growth prospects for the business.”

Details of the transaction were not released. The acquisition is expected to close in the second quarter of 2007, and is subject to, among other conditions, obtaining final regulatory approvals. Willkie Farr & Gallagher LLP represented Broadview Networks. DH Capital, LLC served as financial advisor to InfoHighway Communications.

###

About Broadview Networks (www.broadviewnet.com)

Broadview Networks is a network-based integrated communications provider serving approximately 70,000 small and mid-sized businesses throughout the Mid-Atlantic and Northeast regions of the U.S. Broadview makes it easy for organizations to implement technologies that solve their infrastructure, security, and productivity challenges. 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 (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 is 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 Business Development Company with an investment portfolio of approximately \$1.2 billion. MCG Capital is a solutions-focused specialized finance company providing financing and advisory services to middle market, growth-oriented companies throughout the United States. Its capital is generally used by its portfolio companies to finance acquisitions, recapitalizations, management buyouts, organic growth, and working capital.

About Baker Capital (www.bakercapital.com)

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 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 major 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 core principles: supporting its entrepreneurs, providing an excellent return to its limited partners, and practicing its profession with the highest standards and respect. NEA focuses on investments at all stages of a company’s development, from seed-stage through IPO. With approximately \$8.5 billion in

committed capital, NEA's experienced management team has invested in over 550 companies, of which more than 155 have gone public and more than 220 have been acquired. NEA has U.S. offices in Reston, Virginia, Menlo Park, California, and Baltimore, Maryland. In addition, New Enterprise Associates (India) Pvt. Ltd. has an office in Bangalore, India and New Enterprise Associates (Beijing) Ltd. has offices in Beijing and Shanghai, China.

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.

Contact Information:

Broadview Networks

Andrew Goldenberg – Vice President, Marketing

Phone: 610-755-4488 | E-mail: Andrew.Goldenberg@atx.com

InfoHighway Communications

Gene Rogers – Director, Marketing & Product Management

Phone: 212-404-5208 | E-mail: GRogers@infohighway.com