



**MCG Capital Corporation**  
1100 Wilson Boulevard  
Suite 3000  
Arlington, VA 22209  
(703) 247-7500  
(703) 247-7505 (FAX)  
MCGCapital.com

## **PRESS RELEASE**

**Contact:** Marshall Murphy  
(703) 562-7110  
MMurphy@MCGCapital.com

**FOR IMMEDIATE RELEASE**

## **MCG Capital Announces Debt Repurchase**

ARLINGTON, VA – April 21, 2010 – MCG Capital Corporation (Nasdaq: MCGC) (“MCG”) announced today that it had repurchased for \$4.4 million in a privately negotiated transaction, a total of \$8.0 million of its outstanding debt securities under MCG’s debt securitization through MCG Commercial Loan Trust 2006-1, a wholly owned subsidiary. In connection with this repurchase, MCG expects to record a \$3.6 million gain on the extinguishment of debt during the quarter ending June 30, 2010. To date, MCG has repurchased an aggregate of \$30.6 million of its outstanding debt securities under the MCG Commercial Loan Trust 2006-1 for \$10.5 million.

In order to reduce future cash interest payments, as well as future amounts due at maturity or upon redemption, MCG may, from time to time, purchase debt for cash in open market purchases and/or privately negotiated transactions, if attractive pricing can be identified. MCG will evaluate any such transactions in light of then-existing market conditions, taking into account its current liquidity and prospects for future access to capital. The amounts involved in any such transactions, individually or in the aggregate, may be material.

### **About MCG Capital Corporation**

MCG Capital Corporation is a solutions-focused commercial finance company providing capital and advisory services to middle-market companies throughout the United States. Our investment objective is to achieve current income and capital gains. Our capital is generally used by our portfolio companies to finance acquisitions, recapitalizations, buyouts, organic growth and working capital. For more information, please visit [www.mcgcapital.com](http://www.mcgcapital.com).

### **Forward-looking Statements:**

*Statements in this press release regarding management’s future expectations, beliefs, intentions, goals, strategies, plans or prospects, including statements regarding the accounting treatment related to gain on extinguishment of debt and potential future debt repurchases may constitute forward-looking statements for purposes of the safe harbor protection under applicable securities laws. Forward-looking statements can be identified by terminology such as “anticipate,” “believe,” “could,” “could increase the likelihood,” “estimate,” “expect,” “intend,” “is planned,” “may,” “should,” “will,” “will enable,” “would be expected,” “look forward,” “may provide,” “would” or similar terms, variations of such terms or the negative of those terms. Such forward-looking statements involve known and unknown risks, uncertainties and other factors including those risks, uncertainties and factors referred to in MCG’s Annual Report on Form 10-K for the year ended December 31, 2009 filed with the Securities and Exchange Commission under the section “Risk Factors,” as well as other documents that may be filed by MCG from time to time with the Securities and Exchange Commission. As a result of such risks, uncertainties and factors, actual results may differ materially from any future results, performance or achievements discussed in or implied by the forward-looking statements contained herein. MCG is providing the information in this press release as of this date and assumes no obligations to update the information included in this press release or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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