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PRESS RELEASE

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FOR IMMEDIATE RELEASE

**MCG Capital Board of Directors
Names Keith Kennedy Chief Executive Officer and Class I Director,
Announces Preliminary First Quarter Results and
Schedules First Quarter 2014 Earnings Investor Call for April 28, 2014**

ARLINGTON, VA – April 21, 2014 – MCG Capital Corporation (Nasdaq: MCGC) (“MCG” or the “Company”) today announced that Keith Kennedy, MCG’s President, 44, has been elected as Chief Executive Officer, as a member of the Company’s Board of Directors as a Class I director and as a member of the investment and valuation committee. Mr. Kennedy succeeds B. Hagen Saville, who retired.

Rick Neu, Chairman of the MCG Board of Directors, said “On behalf of the Board, I would like to thank Hagen for his hard work and devotion to MCG over a sixteen-year period. As a founding member of the management team and a member of the Board since 2006, Hagen has been focused on promoting the best interests of the Company and its stockholders. We wish him success and the best of luck in his future endeavors. We are also excited to recognize Keith’s past contributions to the Company as Chief Financial Officer and President and in his new role as Chief Executive Officer. Through Keith’s years of work in public accounting and in sourcing, leading and managing investments, he has developed expertise and skills that are relevant to understanding the risks and opportunities that MCG faces. His prior service to MCG as our Chief Financial Officer and President provides him with intimate knowledge of our Company and our investments, which we believe is critical to implementing our strategic goals and evaluating our operational performance, which should benefit both the Company and its stockholders.”

Mr. Saville said “I have valued my tenure at MCG and, in particular, am grateful for the opportunity to have served in many roles at MCG and to have worked with some very dedicated employees and Board members. I am confident that Keith Kennedy and the rest of the team will continue to look after the best interests of MCG’s investors while furthering our mission of supporting lower middle-market companies.”

Mr. Kennedy joined MCG in February 2012 as an Executive Vice President and Managing Director, served as the Company’s Chief Financial Officer and Treasurer beginning in May 2012, and became MCG’s President in March 2014.

Preliminary First Quarter 2014 Results

Set forth below are certain preliminary estimates of the Company’s financial condition and results of operations for the three months ended March 31, 2014. These estimates are subject to the completion of the Company’s financial closing procedures and are not a comprehensive statement of the Company’s financial results for the three months ended March 31, 2014. The Company advises you that its actual results may differ materially from these estimates as a result of the completion of its financial closing procedures, final adjustments, new information that may become available to the Company about its investment portfolio and other developments arising between now and the time that its financial results for the three months ended March 31, 2014 are finalized. This information is inherently uncertain.

For the three months ended March 31, 2014, the Company expects to generate between \$4.1 and 4.3 million of net operating income, \$23.0 and \$24.0 million of net investment losses and \$18.9 and \$19.5 million of net losses. Per weighted average share for the quarter, the Company expects to generate between \$0.05 and 0.06 per share of net operating income, \$0.33 and \$0.35 per share of net investment losses and \$0.27 and \$0.29 per share of net losses.

The Company expects to record between \$23.0 and \$24.0 million of unrealized depreciation on its loan and equity portfolio, principally from two investments. Based on operational, financial and business challenges facing Education Management, Inc., the Company expects to mark down its investment by approximately \$15.2 million. Furthermore, the Company reduced its valuation multiple for RadioPharmacy Investors, LLC and expects to mark down its investment by approximately \$6.3 million based on volume, pricing and supply-cost challenges facing the RadioPharmacy's core business. The investment and valuation committee of the Board reviewed and made a determination with respect to the recommended fair value of each of the Company's portfolio investments. The fair values presented here are on based on such recommendation; however, as of the date of this press release, the Board of Directors has not met to determine the fair value of each of the Company's portfolio investments or its net asset value per share for the quarter ended March 31, 2014.

For the three months ended March 31, 2014, the Company made approximately \$6.6 million in advances to existing portfolio companies and received approximately \$26.4 million in gross payments, reductions and sales of securities that includes \$23.8 million from the monetization of the Company's investment in G&L Investment Holdings, LLC. At March 31, 2014, the Company expects to report approximately \$113 million of investable cash, \$116 million of total cash, \$326 million of total investments, \$449 million of total assets, \$150 million of interest bearing debt, \$153 million of total liabilities and \$296 million of net asset value.

For the three months ended March 31, 2014, MCG repurchased 2,759,267 shares of its common stock at a weighted average price of \$3.84. From January 1, 2014 through April 17, 2014, MCG repurchased and settled 5,845,088 shares of its common stock at a weighted average price of \$3.80. For the three months ended March 31, 2014, the Company expects to report weighted-average common shares outstanding of 69.4 million. At March 31, 2014, the Company expects to report common shares outstanding of 67.7 million.

At March 31, 2014, MCG expects its net asset value to be approximately \$4.37 per share.

The Company currently expects to file its quarterly report on Form 10-Q on or about April 28, 2014. The preliminary financial estimates provided herein have been prepared by, and are the responsibility of, management. Ernst & Young LLP, the Company's independent registered public accounting firm, has not audited, reviewed, compiled, or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, Ernst & Young LLP does not express an opinion or any form of assurance with respect thereto.

First Quarter 2014 Earnings Investor Call

The Company will report first quarter 2014 financial results and Rick Neu, Chairman of the Board, and Keith Kennedy, President and Chief Executive Officer, will discuss MCG's business outlook on Monday, April 28, 2014. MCG invites all interested persons to participate in its conference call at 9:00 a.m., Eastern Time. The dial-in number for the call is 877-312-8798. International callers should dial: 253-237-1193. Please dial in at least five minutes prior to the call to register. The call may also be accessed via an audio webcast available on the MCG website at <http://investor.mcgcapi.com>. Click on the April 28, 2014 Conference Call link to access the call. MCG plans to release its first quarter 2014 financial results in advance of the call.

A recording of the call will be available through May 12, 2014. The replay dial-in is 855-859-2056. International callers should dial 404-537-3406. The replay conference ID is 30492217. The replay will also be available via MCG's website.

Conference Call:	April 28, 2014 at 9:00 a.m., Eastern Time
Dial-in Number:	877-312-8798 domestic; 253-237-1193 international
Live Webcast/Replay:	http://investor.mcgcapi.com
Call Replay:	855-859-2056 domestic; 404-537-3406 international
Replay Conference ID:	30492217