



Hercules Provides \$5.0 Million Financing to Baby Universe, Inc., a Leading Online Retailer and Content Publisher in the Pregnancy, Baby and Toddler Marketplace

Palo Alto, Calif. July 17, 2006 – Hercules Technology Growth Capital, Inc. (NASDAQ: HTGC), a leading specialty finance company providing venture capital and private equity backed technology and life science companies with debt and equity growth capital, announced that on July 12, 2006 it provided \$5.0 million of structured debt financing to BabyUniverse, Inc. (NASDAQ: POSH), a leading online retailer and content publisher in the pregnancy, baby and toddler marketplace.

"The BabyUniverse portfolio of Internet commerce and content properties represents an impressive set of resources for parents and expectant parents," said John Hershey, managing director of Hercules. "As the company continues its impressive pace of growth, with new opportunities through Amazon.com and the recently acquired ePregnancy.com, we are certainly pleased to have established this financing relationship."

"We are extremely pleased to welcome Hercules as a financing partner of BabyUniverse," said John Textor, CEO of BabyUniverse, Inc. "With a variety of capital alternatives available to the company, we believe the source of the capital, and the purpose of the capital, to be as important as the terms. In this case, we secured attractive terms, from a reputable group, to fund an efficient refinancing transaction."

BabyUniverse, Inc., through its websites BabyUniverse.com and DreamtimeBaby.com, is a leading online retailer of brand-name baby, toddler and maternity products in the United States. With the recent acquisition of PoshTots.com and PoshLiving.com, BabyUniverse has expanded its business to include e-commerce and e-content offerings focused on this country's most affluent online female consumers.

About Hercules Technology Growth Capital, Inc.:

Founded in December 2003, Hercules Technology Growth Capital, Inc. is a NASDAQ traded specialty finance company providing debt and equity growth capital to technology-related companies at all stages of development. The company primarily finances privately-held companies backed by leading venture capital and private equity firms and also may finance certain publicly-traded companies. Hercules focuses its investments in companies active in technology and technology-related industries such as computer software and hardware, networking systems, semiconductors, semiconductor capital equipment, information technology

infrastructure, Internet consumer and business services, telecommunications, and life sciences. The company's investments are originated through its principal office located in Silicon Valley, as well as additional offices in the Boston, Boulder and Chicago areas. Providing capital to publicly traded or privately held companies backed by leading venture capital and private equity firms involves a high degree of credit risk and may result in potential losses of capital.

For more information, please visit <http://www.herculestech.com>. Companies interested in learning more about financing opportunities should contact info@herculestech.com or call 650-289-3060.

About Baby Universe, Inc.:

BabyUniverse, Inc. (NASDAQ: POSH) is a leading online retailer and content publisher in the pregnancy, baby and toddler marketplace. Through its websites BabyUniverse.com and DreamtimeBaby.com, the company is a leading online retailer of brand-name baby, toddler and maternity products in the United States. Through its websites PoshTots.com and PoshLiving.com, the company has extended its offerings in the baby and toddler market as a leading online provider of luxury furnishings to the country's most affluent female consumers. Through PoshCravings.com and ePregnancy.com, BabyUniverse has also established a widely recognized platform for the delivery of content and new media resources to a national audience of expectant parents. BabyUniverse is pursuing a dual strategy of organic growth and acquisition growth that is designed to establish BabyUniverse as the leader in the online baby marketplace. Beyond the baby segment, the Company intends to leverage its efficient and growing e-commerce platform to acquire other female-oriented e-commerce, marketing and new media companies. The overall objective of BabyUniverse is to establish a market-leading e-commerce and new media business focused on the high-growth female marketplace.

Forward-Looking Statements:

The statements contained in this release that are not purely historical are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to uncertainties and other factors that could cause actual results to differ materially from those expressed in the forward-looking statements including, without limitation, the risks, uncertainties and other factors we identify from time to time in our filings with the Securities and Exchange Commission. Although we believe that the assumptions on which these forward-looking statements 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. You should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this release are made as of the date hereof, and Hercules assumes no obligation to update the forward-looking statements for subsequent events.

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