



## **Hercules Technology Growth Capital Commits \$25 Million to Velocity Technology Solutions**

*~Hercules served as lead agent in  
funding a \$45 million syndicated credit facility~  
~Proceeds used to acquire Lawson/Kronos hosted solution provider~*

**Palo Alto, Calif., March 10, 2010** – Hercules Technology Growth Capital, Inc. (NASDAQ: HTGC), the leading specialty finance company providing venture debt and equity to venture capital and private equity-backed technology and life science companies at all stages of development, today announced that it has committed \$25 million in debt financing of a \$45 million syndicated credit facility to Velocity Technology Solutions, a leading application service provider of cloud-based technologies for the enterprise software market.

Hercules served as the agent leading a \$45 million credit facility to finance Velocity's acquisition of the Lawson/Kronos hosted solution provider Managed Application Services business of NaviSite, Inc. (NASDAQ: NAVI), a leading cloud-enabled Infrastructure as a Service (IaaS) provider offering hosting, managed applications and services to enterprises around the world. Hercules partnered with TCW Special Situations, provider of the additional \$20 million, to conduct due diligence, structure and negotiate this transaction. The acquisition broadens Velocity's existing portfolio of applications management expertise, increases its annual revenue run rate by 60% to reach more than \$50 million and makes Velocity the largest provider and clear market leader for Lawson-hosted solution providers in North America.

Spire Capital Partners, L.P. of New York, NY, served as the lead equity investor in support of this acquisition by Velocity with additional equity investments made by Tudor Ventures of Boston, Mass., and TCW Special Situations.

"We believe the management team at Velocity has captured a unique opportunity to grow its business through the acquisition of Lawson/Kronos hosted solution provider Applications Services," said Manuel A. Henriquez, co-founder, chairman and chief executive officer of Hercules. "Velocity has a strong business with a clear and compelling value proposition for customers seeking an outstanding level of service and superior application expertise while reducing overall costs. We anticipate that Velocity will successfully integrate Lawson/Kronos hosted solution provider and grow to become a cornerstone of our investment portfolio. This investment is representative of

Hercules' growing focus on lower-middle market opportunities in technology-related industries."

"With our recent acquisition of Lawson/Kronos hosted solution provider business from NaviSite, we have established a dominant leadership position in the space," said Thomas R. Bruno, President and CEO of Velocity Technology Solutions. "Hercules and TCW Special Situations served as valuable partners in helping us raise both debt and equity capital to fund this transaction. They also demonstrated a clear understanding of the merits of the acquisition, which includes diversifying our business into a broader set of vertical markets and enhancing the platform upon which we will expand the breadth of our cloud-based application services."

**About Hercules Technology Growth Capital, Inc.:**

Hercules Technology Growth Capital, Inc. is a NASDAQ traded specialty finance company providing debt and equity growth capital to technology and life science companies at all stages of development. Founded in December 2003, the company primarily finances privately held companies backed by leading venture capital and private equity firms. Hercules invests in a broad range of ventures active in technology and life science industries and offers a full suite of growth capital products at all levels of the capital structure. The company is headquartered in Palo Alto, Calif. and has 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 [www.htgc.com](http://www.htgc.com).

Companies interested in learning more about financing opportunities should contact [info@htgc.com](mailto:info@htgc.com), or call 650.289.3060.

**About Velocity Technology Solutions:**

Velocity is a leading application service provider that delivers enterprise software functionality through a secure private cloud platform. Velocity's clients benefit from hosted, fully managed environments for their ERP and related software applications; guaranteed availability, security and compliance; and certified consulting resources. Velocity's proprietary delivery system for software hosting, Velocity On-Demand(TM), brings scalable computing and fully managed services for mission critical IT systems and sensitive data. Velocity is headquartered in New York City, with offices in Minneapolis, Tampa and London, Ontario. For more information on Velocity services please visit [www.velocityus.com](http://www.velocityus.com).

**About TCW Special Situations:**

The TCW Special Situations Group manages a dedicated family of institutional private funds focused on investing in middle-market companies. Over the last 15 years, the Group has invested over \$2.3 billion in special situations and distressed opportunities. The Group maintains a debt-oriented investment focus, creating value through superior credit selection and by

taking a leadership role with companies in transition. The TCW Special Situations Group is a part of The TCW Group, Inc., an international asset management firm based in Los Angeles with approximately \$115 billion in assets under management. For more information visit [www.tcw.com](http://www.tcw.com).

**About Spire Capital Partners L.P.:**

Founded in 2000, Spire Capital is an active and experienced private equity firm with an investment focus in companies within the business services, information services, media and communications sectors. Spire Capital leads buyout investments in its areas of expertise and believes its deep industry experience and network of relationships are invaluable in helping its portfolio companies to grow and succeed. Spire Capital currently has approximately \$600 million in assets under management across two funds. For more information visit [www.spirecapital.com](http://www.spirecapital.com).

**About Tudor Ventures:**

Tudor Ventures is the venture capital and private equity arm of Tudor Investment Corporation, an internationally recognized, \$10 billion in assets, diversified investment management firm. Tudor has been investing in venture capital and other private equity opportunities since the early 1990's. Over this time, Tudor and its principals have invested in over 75 companies, with a strong record of investment success, and currently manage over \$700 million in capital commitments. For more information visit [www.tudorventures.com](http://www.tudorventures.com).

**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, including the uncertainties surrounding the current market turbulence, 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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