

HERCULES TECHNOLOGY GROWTH CAPITAL INC

Form 10-Q

May 11, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended March 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 814-00702

HERCULES TECHNOLOGY GROWTH
CAPITAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Jurisdiction of

743113410
(IRS Employer

Incorporation or Organization)

Identification No.)

400 Hamilton Ave., Suite 310 Palo Alto, California 94301
(Address of Principal Executive Offices)

94301
(Zip Code)

(650) 289-3060

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods as the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) YES NO

On May 8, 2009, there were 35,326,894 shares outstanding of the Registrant's common stock, \$0.001 par value.

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In this Quarterly Report, the Company, Hercules, we, us and our refer to Hercules Technology Growth Capital, Inc. and its wholly owned subsidiaries and its affiliated securitization trusts unless the context otherwise requires.

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS
HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(in thousands, except per share data)

	March 31, 2009 (unaudited)	December 31, 2008
Assets		
Investments:		
Non-affiliate investments (cost of \$542,464 and \$583,592)	\$ 531,027	\$ 579,079
Affiliate investments (cost of \$7,421 and \$8,756)	1,754	2,222
Total investments, at value (cost of \$549,885 and \$592,348 respectively)	532,781	581,301
Deferred loan origination revenue	(5,396)	(6,871)
Cash and cash equivalents	7,884	17,242
Interest receivable	7,961	8,803
Other assets	7,042	8,197
Total assets	550,272	608,672
Liabilities		
Accounts payable and accrued liabilities	3,975	9,432
Short-term credit facility		89,582
Long-term credit facility	32,751	
Long-term SBA Debentures	127,200	127,200
Total liabilities	163,926	226,214
Net assets	\$ 386,346	\$ 382,458
Net assets consist of:		
Common stock, par value	\$ 35	\$ 33
Capital in excess of par value	405,755	395,760
Unrealized appreciation (depreciation) on investments	(17,227)	(11,297)
Accumulated realized gains on investments	2,760	3,906
Distributions in excess of investment income	(4,977)	(5,944)
Total net assets	\$ 386,346	\$ 382,458
Shares of common stock outstanding (\$0.001 par value, 60,000 authorized)	35,325	33,096
Net asset value per share	\$ 10.94	\$ 11.56

See notes to consolidated financial statements (unaudited).

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Accelaron Pharmaceuticals, Inc. (0.54%)*	Drug Discovery	Senior Debt			
		Matures January 2011			
		Interest rate 10.25%	\$ 1,385	\$ 1,367	\$ 1,367
		Preferred Stock Warrants		69	600
		Preferred Stock Warrants		35	113
Accelaron Pharmaceuticals, Inc. (0.44%)		Preferred Stock		1,243	1,691
Total Accelaron Pharmaceuticals, Inc.				2,714	3,771
Aveo Pharmaceuticals, Inc. (4.13%)	Drug Discovery	Senior Debt			
		Matures November 2011			
		Interest rate 11.13%	\$ 15,000	14,918	14,918
		Preferred Stock Warrants		190	752
		Preferred Stock Warrants		104	223
		Preferred Stock Warrants		24	76
Total Aveo Pharmaceuticals, Inc.				15,236	15,969
Dicerna Pharmaceuticals, Inc. (0.51%)	Drug Discovery	Senior Debt			
		Matures April 2012			
		Interest rate Prime + 9.20%	\$ 2,000	1,836	1,836
		Preferred Stock Warrants		164	153
Total Dicerna Pharmaceuticals, Inc.				2,000	1,989
Elixir Pharmaceuticals, Inc. (2.86%)	Drug Discovery	Senior Debt			
		Matures January 2012			
		Interest rate Prime + 9.25%	\$ 11,000	11,000	11,000
		Preferred Stock Warrants		217	66
Total Elixir Pharmaceuticals, Inc.				11,217	11,066
EpiCept Corporation (0.10%)	Drug Discovery	Common Stock Warrants		31	163
		Common Stock Warrants		40	210
Epicent Corporation (0.04%)		Common Stock		22	143
Total EpiCept Corporation				93	516

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Horizon Therapeutics, Inc. (1.76%)	Drug Discovery	Senior Debt			
		Matures July 2011			
		Interest rate Prime + 1.50%	\$ 6,755	6,625	6,625
		Preferred Stock Warrants		231	204
Total Horizon Therapeutics, Inc.				6,856	6,829
Inotek Pharmaceuticals Corp. (0.31%)	Drug Discovery	Preferred Stock		1,500	1,211
Total Inotek Pharmaceuticals Corp.				1,500	1,211

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Merrimack Pharmaceuticals, Inc. (0.16%)	Drug Discovery	Preferred Stock Warrants		\$ 155	\$ 599
Merrimack Pharmaceuticals, Inc. (0.68%)		Preferred Stock		2,000	2,610
Total Merrimack Pharmaceuticals, Inc.				2,155	3,209
Paratek Pharmaceuticals, Inc. (0.03%)	Drug Discovery	Preferred Stock Warrants		137	98
Paratek Pharmaceuticals, Inc. (0.15%)		Preferred Stock		1,000	585
Total Paratek Pharmaceuticals, Inc.				1,137	683
Portola Pharmaceuticals, Inc. (2.77%)	Drug Discovery	Senior Debt			
		Matures April 2011			
		Interest rate Prime + 2.16%	\$ 10,417	10,417	10,417
		Preferred Stock Warrants		152	290
Total Portola Pharmaceuticals, Inc.				10,569	10,707
Recoly, N.V. (0.78%) ⁽⁵⁾	Drug Discovery	Senior Debt			
		Matures May 2012			
		Interest rate Prime + 4.25%	\$ 3,000	3,000	3,000
Total Recoly, N.V.				3,000	3,000
Total Drug Discovery (15.26%)				56,477	58,950
Affinity Videonet, Inc. (1.63%) ⁽⁴⁾	Communications & Networking	Senior Debt			
		Matures June 2012			
		Interest rate Prime + 4.50%	\$ 3,761	3,742	3,742
		Senior Debt			
		Matures June 2012			
		Interest rate Prime + 5.50%	\$ 2,000	2,000	2,000
		Revolving Line of Credit			
		Matures June 2012			
		Interest rate Prime + 3.50%	\$ 500	500	500

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Preferred Stock Warrants 74 45

Total Affinity Videonet, Inc.		6,316	6,287
E-band Communications, Inc. (0.23%)(6)	Communications & Networking		
	Preferred Stock	2,000	904
Total E-Band Communications, Inc.		2,000	904

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
IKANO Communications, Inc. (2.85%)	Communications & Networking	Senior Debt			
		Matures January 2011			
		Interest rate 12.00%	\$ 10,625	\$ 10,625	\$ 10,625
		Preferred Stock Warrants		45	148
		Preferred Stock Warrants		73	231
Total IKANO Communications, Inc.				10,743	11,004
Kadoink, Inc. (0.19%)	Communications & Networking	Senior Debt			
		Matures April 2011			
		Interest rate Prime + 2.00%	\$ 1,695	1,657	753
		Preferred Stock Warrants		73	
Kadoink, Inc. (0.00%)		Preferred Stock		250	
Total Kadoink, Inc.				1,980	753
Neonova Holding Company (2.31%)	Communications & Networking	Senior Debt			
		Matures September 2012			
		Interest rate Prime + 3.25%	\$ 8,888	8,826	8,826
		Preferred Stock Warrants		94	93
Neonova Holding Company (0.06%)		Preferred Stock		250	239
Total Neonova Holding Company				9,170	9,158
Peerless Network, Inc. (0.13%) ⁽⁶⁾	Communications & Networking				
		Preferred Stock Warrants		95	
Peerless Network, Inc. (0.00%)		Preferred Stock		1,000	500
Total Peerless Network, Inc.				1,095	500
Ping Identity Corporation (0.05%)	Communications & Networking				
		Preferred Stock Warrants		52	178
Total Ping Identity Corporation				52	178
Purcell Systems, Inc. (1.69%)		Revolving Line of Credit	\$ 6,000	6,000	6,000

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	Communications & Networking	Matures July 2009 Interest rate Prime + 2.75%			
		Preferred Stock Warrants	123	569	
Total Purcell Systems, Inc.			6,123	6,569	
Rivulet Communications, Inc. (0.49%)(4)	Communications & Networking	Senior Debt Matures March 2010 Interest rate Prime + 8.00%			
		Preferred Stock Warrants	\$ 1,867	1,771	1,771
		Preferred Stock	146	107	
Rivulet Communications, Inc. (0.02%)		Preferred Stock	250	58	
Total Rivulet Communications, Inc.			2,167	1,936	

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Seven Networks, Inc. (2.39%)	Communications & Networking	Senior Debt			
		Matures April 2010			
		Interest rate Prime + 6.00%	\$ 5,716	\$ 5,664	\$ 5,664
		Revolving Line of Credit			
		Matures September 2009			
		Interest rate Prime + 5.00%	\$ 3,000	3,000	3,000
		Preferred Stock Warrants		174	575
Total Seven Networks, Inc.				8,838	9,239
Stoke, Inc. (0.61%)	Communications & Networking	Senior Debt			
		Matures August 2010			
		Interest rate 10.55%	\$ 493	469	469
		Senior Debt			
		Matures August 2010			
		Interest rate 10.05%	\$ 984	984	984
		Senior Debt			
		Matures August 2010			
		Interest rate 7.30%	\$ 812	812	812
		Preferred Stock Warrants		53	84
Total Stoke, Inc.				2,318	2,349
Tectura Corporation (6.36%)	Communications & Networking	Senior Debt			
		Matures June 2011			
		Interest rate LIBOR + 10.75%	\$ 6,784	7,022	7,022
		Revolving Line of Credit			
		Matures April 2010			
		Interest rate LIBOR + 10.75%	\$ 17,507	17,507	17,507

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Preferred Stock Warrants 51 61

Total Tectura Corporation				24,580	24,590
Wireless Channels, Inc. (2.40%)(4)	Communications & Networking	Senior Debt			
		Matures April 2010			
		Interest rate Prime + 4.25%	\$ 10,000	10,462	8,462
		Senior Debt			
		Matures April 2010			
		Interest rate Prime + 0.50%%	\$ 665	665	665
		Preferred Stock Warrants		155	155
Total Wireless Channels, Inc.				11,282	9,282

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Zayo Bandwidth, Inc. (6.37%)	Communications & Networking	Senior Debt Matures November 2013 Interest rate Libor + 5.25%	\$ 25,000	\$ 25,000	\$ 24,563
Total Zayo Bandwidth, Inc.				25,000	24,563
Total Communications & Networking (27.78%)				111,664	107,312
Atrenta, Inc. (2.22%) ⁽⁴⁾	Software	Senior Debt Matures January 2010 Interest rate 11.50% Revolving Line of Credit	\$ 2,345	2,322	2,322
		Matures October 2009 Interest rate Prime + 2.00%	\$ 6,000	6,000	6,000
		Preferred Stock Warrants		102	167
		Preferred Stock Warrants		34	55
		Preferred Stock Warrants		95	61
Atrenta, Inc. (0.04%)		Preferred Stock		250	164
Total Atrenta, Inc.				8,803	8,769
Blurb, Inc. (1.58%)	Software	Senior Debt Matures December 2009 Interest rate 9.55%	\$ 1,100	1,094	1,094
		Senior Debt Matures June 2011 Interest rate Prime + 3.50%	\$ 4,836	4,631	4,631
		Preferred Stock Warrants		25	237
		Preferred Stock Warrants		299	136
Total Blurb, Inc.				6,049	6,098
Braxton Technologies, LLC. (1.85%) ⁽⁴⁾	Software	Senior Debt	\$ 6,996	6,972	6,972

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Matures July 2012

Interest rate 13.00%

Preferred Stock Warrants 188 160

Total Braxton Technologies, LLC. 7,160 7,132

Bullhorn, Inc. (0.06%) Software Preferred Stock Warrants 43 215

Total Bullhorn, Inc. 43 215

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Cittio, Inc. (0.16%)	Software	Senior Debt			
		Matures May 2010			
		Interest rate 11.00%	\$ 610	\$ 604	\$ 604
		Preferred Stock Warrants		53	
Total Cittio, Inc.				657	604
Clickfox, Inc. (1.16%)	Software	Senior Debt			
		Matures September 2011			
		Interest rate Prime + 5.00%	\$ 2,500	2,379	2,379
		Revolving Line of Credit			
		Matures July 2009			
		Interest rate Prime + 4.00%	\$ 2,000	2,000	2,000
		Preferred Stock Warrants		163	105
Total Clickfox, Inc.				4,542	4,484
Forescout Technologies, Inc. (0.32%)	Software	Senior Debt			
		Matures August 2009			
		Interest rate 11.15%	\$ 612	605	605
		Revolving Line of Credit			
		Matures April 2009			
		Interest rate Prime + 2.25%	\$ 500	500	500
		Preferred Stock Warrants		99	117
Total Forescout Technologies, Inc.				1,204	1,222
GameLogic, Inc. (0.00%)	Software	Preferred Stock Warrants		92	1
Total GameLogic, Inc.				92	1
Gomez, Inc. (0.09%)	Software	Preferred Stock Warrants		35	331
Total Gomez, Inc.				35	331

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HighJump Acquisition, LLC. (3.88%)	Software	Senior Debt			
		Matures May 2013			
		Interest rate Libor + 8.75%	\$ 15,000	15,000	15,000
Total HighJump Acquisition, LLC.				15,000	15,000
HighRoads, Inc. (0.01%)	Software	Preferred Stock Warrants		44	45
Total HighRoads, Inc.				44	45
Infologix, Inc. (5.37%)(4)	Software	Senior Debt			
		Matures May 2012			
		Interest rate Prime + 9.75%	\$ 11,700	11,759	11,759
		Revolving Line of Credit			
		Matures November 2009			
		Interest rate Prime + 7.75%	\$ 9,000	9,000	9,000
Total Infologix, Inc.				20,759	20,759

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Intelliden, Inc. (0.30%)	Software	Senior Debt			
		Matures March 2010			
		Interest rate 13.20%	\$ 1,138	\$ 1,133	\$ 1,133
		Preferred Stock Warrants		18	32
Total Intelliden, Inc.				1,151	1,165
Proficiency, Inc. (0.09%)(5)(6)(7)	Software	Senior Debt			
		Matures August 2012			
		Interest rate 8.00%	\$ 1,480	1,480	350
		Preferred Stock Warrants		96	
Proficiency, Inc. (0.00%)		Preferred Stock		2,750	
Total Proficiency, Inc.				4,326	350
PSS Systems, Inc. (0.53%)	Software	Senior Debt			
		Matures May 2010			
		Interest rate 11.48%	\$ 1,996	1,981	1,981
		Preferred Stock Warrants		51	79
Total PSS Systems, Inc.				2,032	2,060
Rockyou, Inc. (0.65%)	Software	Senior Debt			
		Matures May 2011			
		Interest rate Prime + 2.50%	\$ 2,495	2,433	\$ 2,433
		Preferred Stock Warrants		117	94
Total Rockyou, Inc.				2,550	2,527
Savvion, Inc. (1.29%)(4)	Software	Senior Debt			
		Matures February 2011			
		Interest rate Prime + 7.75%	\$ 3,349	3,297	3,297
		Revolving Line of Credit	\$ 1,500	1,500	1,500
		Matures May 2010			

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			Interest rate Prime + 6.75%	
			Preferred Stock Warrants	
			52	169
Total Savvion, Inc.			4,849	4,966
Sportvision, Inc. (0.02%)	Software	Preferred Stock Warrants	39	76
Total Sportvision, Inc.			39	76
WildTangent, Inc. (0.01%)	Software	Preferred Stock Warrants	238	48
Total WildTangent, Inc.			238	48
Total Software (19.63%)			79,573	75,852

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Luminus Devices, Inc. (3.08%)	Electronics & Computer	Senior Debt			
	Hardware	Matures June 2011			
		Interest rate 12.875%	\$ 11,796	\$ 11,810	\$ 11,810
		Preferred Stock Warrants		183	16
		Preferred Stock Warrants		84	8
		Preferred Stock Warrants		333	62
Total Luminus Devices, Inc.				12,410	11,896
Maxvision Holding, LLC. (2.65%)	Electronics & Computer	Senior Debt			
	Hardware	Matures October 2012			
		Interest rate Prime + 5.50%	\$ 5,000	5,000	5,000
		Senior Debt			
		Matures April 2012			
		Interest rate Prime + 2.25%	\$ 5,042	5,264	5,264
Maxvision Holding, LLC. (0.07%) ⁽⁴⁾		Common Stock		81	283
Total Maxvision Holding, LLC				10,345	10,547
Shocking Technologies, Inc. (0.83%)	Electronics & Computer	Senior Debt			
	Hardware	Matures December 2010			
		Interest rate 9.75%	\$ 199	174	174
		Senior Debt			
		Matures December 2010			
		Interest rate 7.50%	\$ 2,971	2,971	2,971
		Preferred Stock Warrants		63	50
Total Shocking Technologies, Inc.				3,208	3,195
SiCortex, Inc. (0.63%)	Electronics & Computer	Senior Debt			
	Hardware	Matures December 2010			
		Interest rate Prime + 2.70%	\$ 6,525	6,447	2,422

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		Preferred Stock Warrants		165	
Total SiCortex, Inc.				6,612	2,422
Spatial Photonics, Inc. (0.86%)	Electronics & Computer	Senior Debt			
	Hardware	Matures April 2011			
		Interest rate 10.066%	\$ 2,918	2,861	2,861
		Senior Debt			
		Mature April 2011			
		Interest rate 9.217%	\$ 291	291	291
		Preferred Stock Warrants		131	175
Spatial Photonics, Inc. (0.08%)		Preferred Stock		500	292
Total Spatial Photonics Inc.				3,783	3,620

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
VeriWave, Inc. (0.58%)	Electronics & Computer	Senior Debt			
	Hardware	Matures May 2010			
		Interest rate 10.75%	\$ 2,127	\$ 2,108	\$ 2,108
		Preferred Stock Warrants		54	107
		Preferred Stock Warrants		46	36
Total VeriWave, Inc.				2,208	2,251
Total Electronics & Computer Hardware (8.78%)				38,566	33,931
Aegerion Pharmaceuticals, Inc. (2.05%) ⁽⁴⁾	Specialty Pharmaceuticals	Senior Debt			
		Matures September 2011			
		Interest rate Prime + 2.50%	\$ 7,525	7,525	7,525
		Convertible Senior Debt			
		Matures December 2009			
		Interest rate Prime + 2.50%	\$ 178	178	178
		Preferred Stock Warrants		69	215
Aegerion Pharmaceuticals, Inc. (0.26%) ⁽⁴⁾		Preferred Stock		1,000	1,000
Total Aegerion Pharmaceuticals, Inc.				8,772	8,918
Panacos Pharmaceuticals, Inc. (0.00%)	Specialty Pharmaceuticals	Common Stock Warrants		876	5
Panacos Pharmaceuticals, Inc. (0.00%)		Common Stock		410	6
Total Panacos Pharmaceuticals, Inc.				1,286	11
Quatrx Pharmaceuticals Company (5.20%)	Specialty Pharmaceuticals	Senior Debt			
		Matures October 2011			
		Interest rate Prime + 8.90%	\$ 20,000	19,795	19,795
		Convertible Senior Debt			
		Matures May 2009			
		Interest rate Prime + 2.50%	\$ 82	82	82
		Preferred Stock Warrants		220	109
		Preferred Stock Warrants		308	94

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Quatrx Pharmaceuticals Company (0.19%)	Preferred Stock	750	750
Total Quatrx Pharmaceuticals Company		21,155	20,829
Total Specialty Pharmaceuticals (7.7%)		31,213	29,759

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS****March 31, 2009****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Annie s, Inc. (1.57%)	Consumer & Business	Senior Debt - Second Lien			
	Products	Matures April 2011			
		Interest rate LIBOR + 6.50%	\$ 6,000	\$ 5,882	\$ 5,882
		Preferred Stock Warrants		321	194
Total Annie s, Inc.				6,203	6,076
IPA Holdings, LLC. (4.47%) ⁽⁴⁾	Consumer & Business	Senior Debt			
	Products	Matures November 2012			
		Interest rate Prime + 3.50%	\$ 10,000	10,000	10,000
		Senior Debt			
		Matures May 2013			
		Interest rate Prime + 6.00%	\$ 6,500	6,632	6,632
		Revolving Line of Credit			
		Matures November 2012			
		Interest rate Prime + 2.50%	\$ 600	600	600
IPA Holding, LLC.(0.12%)		Common Stock		500	447
Total IPA Holding, LLC.				17,732	17,679
Market Force Information, Inc. (0.02%)	Consumer & Business				
	Products	Preferred Stock Warrants		24	94
Market Force Information, Inc. (0.1%)		Preferred Stock		500	411
Total Market Force Information, Inc.				524	505
OnTech Operations, Inc. (0.00%)		Senior Debt			
	Consumer & Business	Matures December 2009			
	Products	Interest rate 16.00%	\$ 106	106	
		Preferred Stock Warrants		452	
		Preferred Stock Warrants		218	
OnTech Operations, Inc. (0.00%)		Preferred Stock		1,000	
Total OnTech Operations, Inc.				1,776	

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Wageworks, Inc. (0.24%)	Consumer & Business Products	Preferred Stock Warrants		252	911
Wageworks, Inc. (0.07%)		Preferred Stock		250	289
Total Wageworks, Inc.				502	1,200
Total Consumer & Business Products (6.59%)				26,737	25,460
Custom One Design, Inc. (0.17%)		Senior Debt			
		Matures September 2010			
	Semiconductors	Interest rate 11.50%	\$	660	665
		Common Stock Warrants			18
Total Custom One Design, Inc.				683	665

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS****March 31, 2009****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Enpirion, Inc. (1.86%)	Semiconductors	Senior Debt			
		Matures August 2011			
		Interest rate Prime + 2.00%	\$ 7,263	\$ 7,179	\$ 7,179
		Preferred Stock Warrants		157	8
Total Enpirion, Inc.				7,336	7,187
iWatt Inc. (0.09%)	Semiconductors	Preferred Stock Warrants		46	38
		Preferred Stock Warrants		51	17
		Preferred Stock Warrants		73	20
		Preferred Stock Warrants		459	278
iWatt Inc. (0.24%)		Preferred Stock		490	865
Total iWatt Inc.				1,119	1,218
NEXX Systems, Inc. (1.66%) ⁽⁴⁾	Semiconductors	Senior Debt			
		Matures March 2010			
		Interest rate Prime + 3.50%	\$ 2,157	2,105	2,105
		Revolving Line of Credit			
		Matures December 2009			
		Interest rate Prime + 3.00%	\$ 4,150	4,150	4,150
		Preferred Stock Warrants		165	172
Total NEXX Systems, Inc.				6,420	6,427
Quartics, Inc. (0.07%) ⁽⁷⁾	Semiconductors	Senior Debt			
		Matures August 2010			
		Interest rate 8.80%	\$ 613	589	275
		Preferred Stock Warrants		53	
Total Quartics, Inc.				642	275
Solarflare Communications, Inc. (0.09%)	Semiconductors	Senior Debt			
		Matures August 2010			
		Interest rate 11.75%	\$ 400	363	363
		Common Stock Warrants		83	

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Solarflare Communications, Inc. (0.00%)	Common Stock		641	3
Total Solarflare Communications, Inc.			1,087	366
Total Semiconductors (4.18%)			17,287	16,138
Labopharm USA, Inc. (5.37%) ⁽⁵⁾	Drug Delivery	Senior Debt		
		Matures December 2011		
		Interest rate 10.95%	\$ 20,000	19,640
		Common Stock Warrants		458
		Common Stock Warrants		143
Total Labopharm USA, Inc.			20,241	20,730

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS****March 31, 2009****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Transcept Pharmaceuticals, Inc. (0.00%) ⁽⁴⁾	Drug Delivery	Common Stock Warrants		\$ 36	\$ 2
		Common Stock Warrants		51	7
Transcept Pharmaceuticals, Inc. (0.03%) ⁽⁴⁾		Common Stock		500	125
Total Transcept Pharmaceuticals, Inc.				587	134
Total Drug Delivery (5.40%)				20,828	20,864
BARRX Medical, Inc.(0.86%)	Therapeutic	Senior Debt			
		Mature December 2011			
		Interest rate 11.00%	\$ 3,333	3,288	3,288
		Preferred Stock Warrants		63	42
BARRX Medical, Inc. (0.36%)		Preferred Stock		1,500	1,388
Total BARRX Medical, Inc.				4,851	4,718
EKOS Corporation (1.22%)	Therapeutic	Senior Debt			
		Matures November 2010			
		Interest rate Prime + 2.00%	\$ 4,771	4,650	4,650
		Preferred Stock Warrants		174	41
		Preferred Stock Warrants		153	20
Total EKOS Corporation				4,977	4,711
Gelesis, Inc. (0.39%)	Therapeutic	Senior Debt			
		Matures May 2012			
		Interest rate Prime + 5.65%	\$ 1,500	1,480	1,480
		Preferred Stock Warrants		26	28
Total Gelesis, Inc.				1,506	1,508
Gynesonics, Inc. (0.03%)	Therapeutic	Preferred Stock Warrants		18	118
Gynesonics, Inc. (0.09%)		Preferred Stock		250	359
Total Gynesonics, Inc.				268	477
Light Science Oncology, Inc. (0.01%)	Therapeutic	Preferred Stock Warrants		99	28

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Total Light Science Oncology, Inc.			99	28
Novasys Medical, Inc. (0.74%)(4)	Therapeutic	Senior Debt		
		Matures February 2010		
		Interest rate 9.70%	\$ 2,808	2,795
		Preferred Stock Warrants	71	54
		Preferred Stock Warrants	54	25
Novasys Medical, Inc.(0.12%)		Preferred Stock	556	444
Total Novasys Medical, Inc.			3,476	3,318
Power Medical Interventions, Inc. (0.00%)	Therapeutic	Common Stock Warrants	21	1
Total Power Medical Interventions, Inc.			21	1
Total Therapeutic (3.82%)			15,198	14,761

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Cozi Group, Inc. (0.05%)	Internet Consumer &				
	Business Services	Preferred Stock Warrants		\$ 147	\$ 185
Cozi Group, Inc. (0.06%)		Preferred Stock		177	226
Total Cozi Group, Inc.				324	411
Invoke Solutions, Inc. (0.22%)	Internet Consumer &	Senior Debt			
	Business Services	Matures November 2009			
		Interest rate Prime + 3.75%	\$ 661	671	671
		Preferred Stock Warrants		56	143
		Preferred Stock Warrants		27	33
Total Invoke Solutions, Inc.				754	847
Prism Education Group Inc. (0.38%)	Internet Consumer &	Senior Debt			
	Business Services	Matures December 2010			
		Interest rate 11.25%	\$ 1,344	1,323	1,323
		Preferred Stock Warrants		43	117
Total Prism Education Group Inc.				1,366	1,440
RazorGator Interactive Group, Inc. (0.97%) ⁽⁴⁾	Internet Consumer &	Revolving Line of Credit			
	Business Services	Matures May 2010			
		Interest rate Prime + 6.00%	\$ 3,000	3,000	3,000
		Preferred Stock Warrants		13	696
		Preferred Stock Warrants		29	83
RazorGator Interactive Group, Inc. (0.45%)		Preferred Stock		1,000	1,742
Total RazorGator Interactive Group, Inc.				4,042	5,521
Serious USA, Inc. (0.23%) ⁽⁷⁾	Internet Consumer &	Senior Debt			
	Business Services	Matures February 2011			
		Interest rate 14%	\$ 2,454	2,407	907
		Preferred Stock Warrants		93	
Total Serious USA, Inc.				2,500	907

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Spa Chakra, Inc. (2.59%)	Internet Consumer & Business Services	Senior Debt Matures June 2010 Interest rate 14.45%	\$ 10,000	\$ 10,001	\$ 10,001
Total Spa Chakra, Inc.				10,001	10,001
Total Internet Consumer & Business Services (4.95%)				18,987	19,127
Lilliputian Systems, Inc. (1.14%)	Energy	Senior Debt Matures April 2010 Interest rate Prime + 6.00%	\$ 4,324	4,259	4,259
		Preferred Stock Warrants		106	133
		Common Stock Warrants		48	0
Total Lilliputian Systems, Inc.				4,413	4,392
Total Energy (1.14%)				4,413	4,392
Active Response Group, Inc. (2.55%)	Information Services	Senior Debt Matures July 2011 Interest rate LIBOR + 6.55%	\$ 6,355	6,321	6,321
		Revolving Line of Credit Matures December 2009 Interest rate Prime + 14.00%	\$ 3,500	3,500	3,500
		Common Stock Warrants		92	10
		Preferred Stock Warrants		46	9
Active Response Group, Inc. (0.03%)		Common Stock		105	105
Total Active Response Group, Inc.				10,064	9,945
Box.net, Inc. (0.36%)	Information Services	Senior Debt Matures May 2011	\$ 1,000	959	959

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		Interest rate Prime + 1.50%			
		Senior Debt			
		Matures September 2011			
		Interest rate Prime + 0.50%	\$ 400	400	400
		Preferred Stock Warrants		73	54
Total Box.net, Inc.				1,432	1,413
Buzznet, Inc. (0.00%)	Information Services	Preferred Stock Warrants		9	0
Buzznet, Inc. (0.02%)		Preferred Stock		250	74
Total Buzznet, Inc.				259	74
hi5 Networkss, Inc. (1.95%)	Information Services	Senior Debt			
		Matures December 2010			
		Interest rate Prime + 2.5%	\$ 2,658	2,658	2,658
		Senior Debt			
		Matures June 2011			
		Interest rate Prime + 0.5%	\$ 4,983	4,888	4,888
		Preferred Stock Warrants		213	
Total hi5 Networks, Inc.				7,759	7,546

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS****March 31, 2009****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Jab Wireless, Inc. (3.90%)	Information Services	Senior Debt			
		Matures November 2012			
		Interest rate Prime + 3.50%	\$ 15,000	\$ 14,860	\$ 14,860
		Preferred Stock Warrants		265	207
Total Jab Wireless, Inc.				15,125	15,067
Solutionary, Inc. (1.49%)	Information Services	Senior Debt			
		Matures June 2010			
		Interest rate LIBOR + 5.50%	\$ 3,880	4,144	4,144
		Revolving Line of Credit			
		Matures June 2010			
		Interest rate LIBOR + 5.00%	\$ 1,500	1,500	1,500
		Preferred Stock Warrants		94	121
		Preferred Stock Warrants		2	4
Solutionary, Inc. (0.04%)		Preferred Stock		250	173
Total Solutionary, Inc.				5,990	5,942
The Generation Networks, Inc. (1.48%)	Information Services	Senior Debt			
		Matures December 2012			
		Interest rate 7.42%	\$ 5,814	5,814	5,713
The Generation Networks, Inc. (0.13%)		Common Stock		500	498
Total The Generation Networks, Inc.				6,314	6,211
Visto Corporation	Information Services	Common Stock		603	603
Total Visto Corporation (0.16%)				603	603
Coveroo, Inc. (0.03%)	Information Services	Senior Debt			
		Matures April 2010			
		Interest rate Prime + 9.75%	\$ 110	108	108
		Preferred Stock Warrants		7	

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Total Coveroo, Inc.		115	108
Zeta Interactive Corporation (3.55%)	Information Services	Senior Debt	
		Matures November 2012	
		Interest rate 9.50%	\$ 5,781 5,693 5,693
		Senior Debt	
		Matures November 2012	
		Interest rate 10.50%	\$ 7,836 7,836 7,836
		Preferred Stock Warrants	172 187
Zeta Interactive Corporation (0.13%)		Preferred Stock	500 500
Total Zeta Interactive Corporation		14,201	14,216
Total Information Services (15.82%)		61,862	61,125

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS****March 31, 2009****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Novadaq Technologies, Inc. (0.09%)	Diagnostic	Common Stock		1,626	351
Total Novadaq Technologies, Inc.				1,626	351
Optiscan Biomedical, Corp. (2.62%)	Diagnostic	Senior Debt			
		Matures June 2011			
		Interest rate 10.25%	\$ 10,000	\$ 9,598	\$ 9,598
		Preferred Stock Warrants		760	521
Optiscan Biomedical, Corp. (0.78%)		Preferred Stock		3,000	3,000
Total Optiscan Biomedical, Corp.				13,358	13,119
Total Diagnostic (3.49%)				14,984	13,470
Kamada, LTD. (5.16%) ⁽⁵⁾	Biotechnology Tools	Senior Debt			
		Matures February 2012			
		Interest rate Prime + 2.9%	\$ 20,000	19,610	19,610
		Common Stock Warrants		551	312
Total Kamada, LTD.				20,161	19,922
NuGEN Technologies, Inc. (0.59%)	Biotechnology Tools	Senior Debt			
		Matures November 2010			
		Interest rate Prime + 3.45%	\$ 1,365	1,341	1,341
		Senior Debt			
		Matures November 2010			
		Interest rate Prime + 1.70%	\$ 782	782	782
		Preferred Stock Warrants		45	159
		Preferred Stock Warrants		33	13
NuGEN Technologies, Inc. (0.08%)		Preferred Stock		500	305
Total NuGEN Technologies, Inc.				2,701	2,600
Solace Pharmaceuticals, Inc.(1.29%) ⁽⁴⁾	Biotechnology Tools	Senior Debt	\$ 5,000	4,911	4,911
		Matures August 2012			

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	Interest rate Prime + 4.25%		
	Preferred Stock Warrants	42	44
	Preferred Stock Warrants	54	46
Total Solace Pharmaceuticals, Inc.		5,007	5,001
Total Biotechnology Tools (7.12%)		27,869	27,523
Crux Biomedical, Inc. (0.00%)	Surgical Devices	37	
Crux Biomedical, Inc. (0.01%)	Preferred Stock	250	26
Total Crux Biomedical, Inc.		287	26

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS****March 31, 2009****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Transmedics, Inc. (2.59%) ⁽⁴⁾	Surgical Devices	Senior Debt			
		Matures December 2011			
		Interest rate Prime + 5.25%	\$ 10,000	\$ 9,846	\$ 9,846
		Preferred Stock Warrants		225	176
Total Transmedics, Inc.				10,071	10,022
Total Surgical Devices (2.60%)				10,358	10,048
Glam Media, Inc. (1.41%)	Media/Content/ Info	Revolving Line of Credit			
		Matures April 2009			
		Interest rate Prime + 1.50%	\$ 5,160	5,146	5,146
		Preferred Stock Warrants		482	283
Total Glam Media, Inc.				5,628	5,429
Waterfront Media Inc. (1.94%) ⁽⁴⁾	Media/Content/ Info	Senior Debt			
		Matures September 2010			
		Interest rate Prime + 3.00%	\$ 2,199	2,181	2,181
		Revolving Line of Credit			
		Matures October 2009			
		Interest rate Prime + 3.75%	\$ 5,000	5,000	5,000
		Preferred Stock Warrants		60	327
Waterfront Media Inc. (0.29%)		Preferred Stock		1,000	1,132
Total Waterfront Media Inc.				8,241	8,640
Total Media/Content/Info (3.64%)				13,869	14,069
Total Investments (137.90%)				\$ 549,885	\$ 532,781

* Value as a percent of net assets

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- (1) Preferred and common stock, warrants, and equity interests are generally non-income producing.
- (2) Gross unrealized appreciation, gross unrealized depreciation, and net depreciation for federal income tax purposes totaled \$8,289, \$27,537 and \$19,248, respectively. The tax cost of investments is \$552,029.
- (3) Except for warrants in five publicly traded companies and common stock in four publicly traded companies, all investments are restricted at March 31, 2009 and were valued at fair value as determined in good faith by the Board of Directors. No unrestricted securities of the same issuer are outstanding. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.
- (4) Debt investments of this portfolio company have been pledged as collateral under the Wells Facility.
- (5) Non-U.S. company or the company's principal place of business is outside the United States.
- (6) Affiliate investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owns at least 5% but not more than 25% of the voting securities of the company. All other investments are less than 5% owned.
- (7) Debt is on non-accrual status at March 31, 2009, and is therefore considered non-income producing.

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS****December 31, 2008****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Acceleron Pharmaceuticals, Inc. (0.64%)* ⁽⁴⁾	Drug Discovery	Senior Debt			
		Matures January 2010			
		Interest rate 10.25%	\$ 1,753	\$ 1,728	\$ 1,728
Acceleron Pharmaceuticals, Inc. (0.35%)		Preferred Stock Warrants		69	596
		Preferred Stock Warrants		35	116
		Preferred Stock		1,243	1,354
Total Acceleron Pharmaceuticals, Inc.				3,075	3,794
Aveo Pharmaceuticals, Inc. (3.99%) ⁽⁴⁾	Drug Discovery	Senior Debt			
		Matures November 2011			
		Interest rate 11.13%	\$ 15,000	14,904	14,904
		Preferred Stock Warrants		190	257
		Preferred Stock Warrants		104	83
		Preferred Stock Warrants		24	28
Total Aveo Pharmaceuticals, Inc.				15,222	15,272
Elixir Pharmaceuticals, Inc. (2.91%) ⁽⁴⁾	Drug Discovery	Senior Debt			
		Matures December 2010 Interest rate Prime + 4.50%	\$ 11,000	11,000	11,000
		Preferred Stock Warrants		217	116
Total Elixir Pharmaceuticals, Inc.				11,217	11,116
EpiCept Corporation (0.33%) ⁽⁴⁾	Drug Discovery	Senior Debt			
		Matures April 2009			
		Interest rate 15.00%	\$ 8	8	8
		Common Stock Warrants		161	992
		Common Stock Warrants		40	250
				209	1,250
Total EpiCept Corporation				209	1,250
Horizon Therapeutics, Inc. (1.92%) ⁽⁴⁾	Drug Discovery	Senior Debt			
		Matures July 2011			
		Interest rate Prime + 1.50%	\$ 7,200	7,042	7,042
		Preferred Stock Warrants		231	281
				7,273	7,323
Total Horizon Therapeutics, Inc.				7,273	7,323
Inotek Pharmaceuticals Corp. (0.30%)	Drug Discovery	Preferred Stock		1,500	1,144
Total Inotek Pharmaceuticals Corp.				1,500	1,144
Memory Pharmaceuticals Corp. (2.87%) ⁽⁴⁾	Drug Discovery	Senior Debt			
		Matures December 2010			
		Interest rate 11.45%	\$ 11,879	10,979	10,979
		Common Stock Warrants		1,751	
				12,730	10,979
Total Memory Pharmaceuticals Corp.				12,730	10,979

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Merrimack Pharmaceuticals, Inc. (0.19%) ⁽⁴⁾	Drug Discovery	Preferred Stock Warrants	155	743
Merrimack Pharmaceuticals, Inc. (0.68%)		Preferred Stock	2,000	2,610
Total Merrimack Pharmaceuticals, Inc.			2,155	3,353
Paratek Pharmaceuticals, Inc. (0.04%) ⁽⁴⁾	Drug Discovery	Preferred Stock Warrants	137	164
Paratek Pharmaceuticals, Inc. (0.24%)		Preferred Stock	1,000	926
Total Paratek Pharmaceuticals, Inc.			1,137	1,090
Portola Pharmaceuticals, Inc. (3.14%) ⁽⁴⁾	Drug Discovery	Senior Debt		
		Matures September 2011		
		Interest rate Prime + 2.16%	\$ 11,668	11,600
		Preferred Stock Warrants	152	399
Total Portola Pharmaceuticals, Inc.			11,752	11,999
	See notes to consolidated financial statements.			

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****December 31, 2008****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Recoly, N.V. (0.79%) ⁽⁶⁾	Drug Discovery	Senior Debt Matures May 2012 Interest rate Prime + 4.25%	\$ 3,000	\$ 3,000	\$ 3,000
Total Recoly, N.V.				3,000	3,000
Total Drug Discovery (18.39%)				69,270	70,320
Affinity Videonet, Inc. (1.70%) ⁽⁴⁾	Communications & Networking	Senior Debt Matures June 2012 Interest rate Prime + 4.50%	\$ 4,000	3,942	3,942
		Senior Debt Matures June 2012 Interest rate Prime + 5.50%	\$ 2,000	2,000	2,000
		Revolving Line of Credit Matures June 2012 Interest rate Prime + 3.50%	\$ 500	500	500
		Preferred Stock Warrants		75	57
Total Affinity Videonet, Inc.				6,517	6,499
E-Band Communications, Inc. (0.24%) ⁽⁷⁾	Communications & Networking	Preferred Stock		2,000	904
Total E-Band Communications, Inc.				2,000	904
IKANO Communications, Inc. (3.22%) ⁽⁴⁾	Communications & Networking	Senior Debt Matures April 2011 Interest rate 11.00%	\$ 11,946	11,946	11,946
		Preferred Stock Warrants		45	147
		Preferred Stock Warrants		73	221
Total IKANO Communications, Inc.				12,064	12,314
Kadoink, Inc. (0.50%) ⁽⁴⁾	Communications & Networking	Senior Debt Matures April 2011 Interest rate Prime + 2.00%	\$ 1,879	1,832	1,832
		Preferred Stock Warrants		73	72
Kadoink, Inc. (0.07%)		Preferred Stock		250	250
Total Kadoink, Inc.				2,155	2,154
Neonova Holding Company (2.35%)	Communications & Networking	Senior Debt Matures September 2012 Interest rate Prime + 3.25%	\$ 9,000	8,931	8,931
		Preferred Stock Warrants		94	66
Neonova Holding Company (0.06%)		Preferred Stock		250	224
Total Neonova Holding Company				9,275	9,221

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Peerless Network, Inc. (0.34%)(5)(7)	Communications & Networking	Senior Debt Matures June 2011 Interest rate Prime + 3.25%	\$ 1,378	1,318	1,318
		Preferred Stock Warrants		95	
Peerless Network, Inc. (0.00%)		Preferred Stock		1,000	
Total Peerless Network, Inc.				2,413	1,318
Ping Identity Corporation (0.00%)(4)	Communications & Networking	Preferred Stock Warrants		52	2
Total Ping Identity Corporation				52	2

See notes to consolidated financial statements.

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****December 31, 2008****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Purcell Systems, Inc. (2.55%)	Communications & Networking	Senior Debt Matures June 2010 Interest rate Prime + 3.50%	\$ 1,659	\$ 1,601	\$ 1,601
		Revolving Line of Credit Matures July 2009 Interest rate Prime + 2.75%	\$ 6,000	6,000	6,000
		Senior Debt Matures July 2011 Interest rate Prime + 3.50%	\$ 1,600	1,600	1,600
		Preferred Stock Warrants		123	538
Total Purcell Systems, Inc.				9,324	9,739
Rivulet Communications, Inc. (0.51%) ⁽⁵⁾	Communications & Networking	Senior Debt Matures April 2010 Interest rate 10.50%	\$ 1,982	1,960	1,960
		Preferred Stock Warrants		50	
Rivulet Communications, Inc. (0.00%)		Preferred Stock		250	4
Total Rivulet Communications, Inc.				2,260	1,964
Seven Networks, Inc. (2.64%) ⁽⁴⁾	Communications & Networking	Senior Debt Matures April 2010 Interest rate Prime + 6.00%	\$ 6,941	6,875	6,875
		Revolving Line of Credit Matures September 2009 Interest rate Prime + 5.00%	\$ 3,000	3,000	3,000
		Preferred Stock Warrants		174	208
Total Seven Networks, Inc.				10,049	10,083
Stoke, Inc. (0.71%)	Communications & Networking	Senior Debt Matures August 2010 Interest rate 10.55%	\$ 574	545	545
		Senior Debt Matures August 2010 Interest rate 10.05%	\$ 1,144	1,144	1,144
		Senior Debt Matures August 2010 Interest rate 7.30%	\$ 946	946	946
		Preferred Stock Warrants		53	91
Total Stoke, Inc.				2,688	2,726
Tectura Corporation (6.54%) ⁽⁴⁾	Communications & Networking	Senior Debt Matures April 2012 Interest rate LIBOR + 6.90%	\$ 7,232	7,439	7,439
		Revolving Line of Credit Matures April 2009 Interest rate LIBOR + 6.35%	\$ 12,000	12,000	12,000
		Revolving Line of Credit Matures March 2009	\$ 5,507	5,507	5,507

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	Interest rate LIBOR + 7.50%		
	Preferred Stock Warrants	51	77
Total Tectura Corporation		24,997	25,023

See notes to consolidated financial statements.

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Wireless Channels, Inc. (3.04%) ⁽⁴⁾	Communications & Networking	Senior Debt Matures April 2010 Interest rate Prime + 4.25%	\$ 10,000	\$ 10,384	\$ 10,384
		Senior Debt Matures August 2010 Interest rate Prime + 0.50%	\$ 895	895	895
		Preferred Stock Warrants		155	344
Total Wireless Channels, Inc.					11,434
Zayo Bandwidth, Inc. (6.42%)	Communications & Networking	Senior Debt Matures November 2013 Interest rate Libor + 5.25%	\$ 25,000	25,000	24,563
Total Zayo Bandwidth, Inc.				25,000	24,563
Total Communications & Networking (30.89%)				120,228	118,133
Atrenta, Inc. (2.36%) ⁽⁵⁾	Software	Senior Debt Matures January 2010 Interest rate 11.50%	\$ 2,789	2,742	2,742
		Revolving Line of Credit Matures October 2009 Interest rate Prime + 2.00%	\$ 6,000	6,000	6,000
		Preferred Stock Warrants		103	176
		Preferred Stock Warrants		34	58
		Preferred Stock Warrants		71	43
Atrenta, Inc. (0.05%)		Preferred Stock			250
Total Atrenta, Inc.				9,200	9,216
Blurb, Inc. (1.76%)	Software	Senior Debt Matures December 2009 Interest rate 9.55%	\$ 1,414	1,405	1,405
		Senior Debt Matures June 2011 Interest rate Prime + 3.50%	\$ 5,000	4,701	4,701
		Preferred Stock Warrants		25	350
		Preferred Stock Warrants		299	276
Total Blurb, Inc.					6,430
Braxton Technologies, LLC. (2.64%) ⁽⁵⁾	Software	Senior Debt Matures July 2012 Interest rate Libor + 7.25%	\$ 10,000	9,916	9,916
		Preferred Stock Warrants		188	172
Total Braxton Technologies, LLC.				10,104	10,088
Bullhorn, Inc. (0.26%)	Software	Senior Debt Matures November 2010	\$ 782	760	760

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		Interest rate Prime + 3.75%			
		Preferred Stock Warrants		43	222
Total Bullhorn, Inc.				803	982
Cittio, Inc. (0.19%)	Software	Senior Debt			
		Matures May 2010			
		Interest rate 11.00%	\$ 731	720	720
		Preferred Stock Warrants		53	
Total Cittio, Inc.				773	720

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Clickfox, Inc. (0.65%)	Software	Senior Debt Matures September 2011 Interest rate 10.25%	\$ 2,500	\$ 2,357	\$ 2,357
		Preferred Stock Warrants		163	131
Total Clickfox, Inc.				2,520	2,488
Forescout Technologies, Inc. (0.40%) ⁽⁴⁾	Software	Senior Debt Matures August 2009 Interest rate 11.15%	\$ 906	892	892
		Revolving Line of Credit Matures March 2009 Interest rate Prime + 2.25%	\$ 500	500	500
		Preferred Stock Warrants		99	130
Total Forescout Technologies, Inc.				1,491	1,522
GameLogic, Inc. (0.00%) ⁽⁴⁾	Software	Preferred Stock Warrants		92	3
Total GameLogic, Inc.				92	3
Gomez, Inc. (0.22%) ⁽⁴⁾	Software	Preferred Stock Warrants		35	833
Total Gomez, Inc.				35	833
HighJump Acquisition, LLC. (3.92%) ⁽⁴⁾	Software	Senior Debt Matures May 2013 Interest rate Prime + 7.50%	\$ 15,000	15,000	15,000
Total HighJump Acquisition, LLC.				15,000	15,000
HighRoads, Inc. (0.02%) ⁽⁴⁾	Software	Preferred Stock Warrants		44	59
Total HighRoads, Inc.				44	59
Infologix, Inc. (5.49%) ⁽⁴⁾	Software	Senior Debt Matures May 2012 Interest rate Prime + 8.75%	\$ 12,000	12,007	12,007
		Revolving Line of Credit Matures November 2009 Interest rate Prime + 6.75%	\$ 9,000	9,000	9,000
Total Infologix, Inc.				21,007	21,007
Intelliden, Inc. (0.37%)	Software	Senior Debt Matures February 2010 Interest rate 13.20%	\$ 1,399	1,394	1,394
		Preferred Stock Warrants		18	38
Total Intelliden, Inc.				1,412	1,432

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Oatsystems, Inc. (0.00%)(4)	Software	Preferred Stock Warrants		67
Total Oatsystems, Inc.				67
Proficiency, Inc. (0.00%)(6)(7)(8)	Software	Senior Debt		
		Matures August 2012		
		Interest rate 8.00%	\$ 1,500	1,497
		Preferred Stock Warrants		97
Proficiency, Inc. (0.00%)		Preferred Stock		2,750
Total Proficiency, Inc.				4,344

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
PSS Systems, Inc. (0.65%) ⁽⁴⁾	Software	Senior Debt Matures May 2010 Interest rate 11.48%	\$ 2,423	\$ 2,403	\$ 2,403
		Preferred Stock Warrants		51	96
Total PSS Systems, Inc.				2,454	2,499
Rockyou, Inc. (0.72%) ⁽⁴⁾	Software	Senior Debt Matures May 2011 Interest rate Prime + 2.50%	\$ 2,750	2,674	2,674
		Preferred Stock Warrants		117	66
Total Rockyou, Inc.				2,791	2,740
Savvion, Inc. (1.42%) ⁽⁴⁾	Software	Senior Debt Matures April 2009 Interest rate Prime + 3.45%	\$ 331	279	279
		Revolving Line of Credit Matures March 2009 Interest rate Prime + 4.45%	\$ 3,366	3,366	3,366
		Revolving Line of Credit Matures March 2009 Interest rate Prime + 3.00%	\$ 1,619	1,619	1,619
		Preferred Stock Warrants		53	168
Total Savvion, Inc.				5,317	5,432
Sportvision, Inc. (0.02%) ⁽⁴⁾	Software	Preferred Stock Warrants		39	91
Total Sportvision, Inc.				39	91
WildTangent, Inc. (0.01%)	Software	Preferred Stock Warrants		238	41
Total WildTangent, Inc.				238	41
Total Software (21.15%)				84,161	80,885
Luminus Devices, Inc. (3.08%) ⁽⁴⁾	Electronics & Computer Hardware	Senior Debt Matures December 2010 Interest rate 12.875%	\$ 11,792	11,514	11,514
		Preferred Stock Warrants		183	50
		Preferred Stock Warrants		84	25
		Preferred Stock Warrants		334	189
Total Luminus Devices, Inc.				12,115	11,778
Maxvision Holding, LLC. (2.71%) ⁽⁴⁾	Electronics & Computer Hardware	Senior Debt Matures October 2012 Interest rate Prime + 5.50%	\$ 5,000	5,000	5,000
			\$ 5,167	5,363	5,363

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		Senior Debt			
		Matures April 2012			
		Interest rate Prime + 2.25%			
Maxvision Holding, LLC. (0.07%) ⁽⁴⁾		Common Stock		81	268
Total Maxvision Holding, LLC				10,444	10,631
Shocking Technologies, Inc. (0.94%)	Electronics & Computer Hardware	Senior Debt			
		Matures December 2010			
		Interest rate 9.75%	\$ 225	192	192
		Senior Debt			
		Matures December 2010			
		Interest rate 7.50%	\$ 3,365	3,365	3,365
		Preferred Stock Warrants		63	55
Total Shocking Technologies, Inc.				3,620	3,612

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
SiCortex, Inc. (1.83%)	Electronics & Computer Hardware	Senior Debt Matures December 2010 Interest rate 10.95%	\$ 7,364	\$ 7,274	\$ 6,774
		Preferred Stock Warrants		164	216
Total SiCortex, Inc.				7,438	6,990
Spatial Photonics, Inc. (0.97%) ⁽⁴⁾	Electronics & Computer Hardware	Senior Debt Matures April 2011 Interest rate 10.066%	\$ 3,216	3,146	3,146
		Senior Debt Mature April 2011 Interest rate 9.217%	\$ 321	321	321
		Preferred Stock Warrants		131	251
Spatial Photonics, Inc. (0.13%)		Preferred Stock		500	500
Total Spatial Photonics Inc.				4,098	4,218
VeriWave, Inc. (0.85%)	Electronics & Computer Hardware	Senior Debt Matures May 2010 Interest rate 10.75%	\$ 2,549	2,507	2,507
		Revolving Line of Credit Matures September 2009 Interest rate Prime + 4.50%	\$ 630	630	630
		Preferred Stock Warrants		54	76
		Preferred Stock Warrants		46	38
Total VeriWave, Inc.				3,237	3,251
Total Electronics & Computer Hardware (10.58%)				40,952	40,480
Aegerion Pharmaceuticals, Inc. (2.08%) ⁽⁵⁾	Specialty Pharmaceuticals	Senior Debt Matures September 2011 Interest rate Prime + 2.50%	\$ 7,525	7,525	7,525
		Convertible Senior Debt Matures December 2009 Interest rate Prime + 2.50%	\$ 178	178	178
		Preferred Stock Warrants		69	272
Aegerion Pharmaceuticals, Inc. (0.26%) ⁽⁴⁾		Preferred Stock		1,000	1,000
Total Aegerion Pharmaceuticals, Inc.				8,772	8,975
Panacos Pharmaceuticals, Inc. (0.00%) ⁽⁴⁾	Specialty				
	Pharmaceuticals	Common Stock Warrants		877	11
Panacos Pharmaceuticals, Inc. (0.01%)		Common Stock		410	28

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Total Panacos Pharmaceuticals, Inc.			1,287	39
Quatrx Pharmaceuticals Company (5.26%)(4)	Specialty	Senior Debt		
		Matures October 2011		
	Pharmaceuticals	Interest rate Prime +4.85%	\$ 20,000	19,761
		Convertible Senior Debt Matures May 2009 Interest		
		rate Prime + 2.50%	\$ 82	82
		Preferred Stock Warrants		220
		Preferred Stock Warrants		308
Quatrx Pharmaceuticals Company (0.20%)		Preferred Stock		750
				750
Total Quatrx Pharmaceuticals Company			21,121	20,856
Total Specialty Pharmaceuticals (7.81%)			31,180	29,870

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Annie's, Inc. (1.59%)	Consumer & Business	Senior Debt - Second Lien Matures April 2011	\$ 6,000	\$ 5,824	\$ 5,824
	Products	Interest rate LIBOR + 6.50% Preferred Stock Warrants		321	273
Total Annie's, Inc.				6,145	6,097
IPA Holdings, LLC. (4.50%) ⁽⁴⁾	Consumer & Business	Senior Debt Matures November 2012	\$ 10,000	10,000	10,000
	Products	Interest rate Prime + 3.50% Senior Debt Matures May 2013	\$ 6,500	6,590	6,590
		Interest rate Prime + 6.00% Revolving Line of Credit Matures November 2012	\$ 600	600	600
IPA Holding, LLC.(0.12%)		Interest rate Prime + 2.50% Common Stock		500	447
Total IPA Holding, LLC.				17,690	17,637
Market Force Information, Inc. (0.01%) ⁽⁴⁾	Consumer & Business				
	Products	Preferred Stock Warrants		24	40
Market Force Information, Inc. (0.07%)		Preferred Stock		500	274
Total Market Force Information, Inc.				524	314
OnTech Operations, Inc. (0.01%) ⁽⁸⁾	Consumer & Business	Revolving Line of Credit Matures June 2009	\$ 54	54	54
	Products	Interest rate Prime + 5.625% Preferred Stock Warrants		453	
		Preferred Stock Warrants		218	
OnTech Operations, Inc. (0.00%)		Preferred Stock		1,000	
Total OnTech Operations, Inc.				1,725	54
Wageworks, Inc. (0.23%) ⁽⁴⁾	Consumer & Business	Preferred Stock Warrants		252	881

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Products					
Wageworks, Inc. (0.07%)		Preferred Stock		250	266
Total Wageworks, Inc.				502	1,147
Total Consumer & Business Products (6.60%)				26,586	25,249
Custom One Design, Inc. (0.14%) ⁽⁸⁾	Semiconductors	Senior Debt			
		Matures September 2010			
		Interest rate 11.50%	\$ 775	765	523
		Common Stock Warrants		18	
Total Custom One Design, Inc.				783	523
Enpirion, Inc. (1.97%)	Semiconductors	Senior Debt			
		Matures August 2011			
		Interest rate Prime + 4.00%	\$ 7,500	7,389	7,389
		Preferred Stock Warrants		157	136
Total Enpirion, Inc.				7,546	7,525
iWatt Inc. (0.07%) ⁽⁴⁾	Semiconductors	Preferred Stock Warrants		46	28
		Preferred Stock Warrants		51	13
		Preferred Stock Warrants		73	13
		Preferred Stock Warrants		458	222
iWatt Inc. (0.25%)		Preferred Stock		490	961
Total iWatt Inc.				1,118	1,237

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
NEXX Systems, Inc. (2.03%) ⁽⁴⁾	Semiconductors	Senior Debt Matures March 2010 Interest rate Prime + 3.50%	\$ 2,659	\$ 2,593	\$ 2,593
		Revolving Line of Credit Matures December 2009 Interest rate Prime + 3.00%	\$ 4,605	4,605	4,605
		Revolving Line of Credit Matures December 2009 Interest rate Prime + 5.00%	\$ 395	395	395
		Preferred Stock Warrants		165	182
Total NEXX Systems, Inc.				7,758	7,775
Quartics, Inc. (0.08%) ⁽⁴⁾⁽⁸⁾	Semiconductors	Senior Debt Matures August 2010 Interest rate 8.80%	\$ 629	601	286
		Preferred Stock Warrants		53	
Total Quartics, Inc.				654	286
Solarflare Communications, Inc. (0.11%) ⁽⁴⁾	Semiconductors	Senior Debt Matures August 2010 Interest rate 11.75%	\$ 464	420	420
		Preferred Stock Warrants		83	
Solarflare Communications, Inc. (0.00%)		Preferred Stock		641	