

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported) February 1, 2006

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

(Exact name of registrant as specified in its charter)

Maryland	000-51174	74-3113410
(State of other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
525 University Avenue, Suite 700, Palo Alto, CA		94301
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code 650/289-3060

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

Hercules Technology Announces Fourth Quarter and 2005 Financial Results

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1 Press release dated February 1, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

February 1, 2006

/s/ SCOTT HARVEY

Scott Harvey
Chief Legal Officer

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION OF EXHIBITS
99.1	Press Release dated February 1, 2006

HERCULES TECHNOLOGY ANNOUNCES FOURTH QUARTER AND 2005 FINANCIAL RESULTS

HERCULES ORIGINATES \$211 MILLION OF NEW DEBT COMMITMENTS IN 2005

PALO ALTO, Calif., Feb. 1 /PRNewswire-FirstCall/ -- Hercules Technology Growth Capital, Inc. (Nasdaq: HTGC), a leading debt and equity growth capital provider to technology and life science companies, today announced financial results for the fourth quarter and year ended Dec. 31, 2005.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20050609/SFTH149LOGO>)

Highlights for the Fourth Quarter ended Dec. 31, 2005

- Debt commitments totaled \$75.5 million to nine new companies
- Debt fundings totaled approximately \$63.0 million to 12 companies
- Two portfolio companies fully repaid outstanding loans totaling \$12.5 million
- New equity investments totaled \$250,000 to one existing portfolio company
- Exercised a warrant in one public company and sold a portion of the position for a realized gain of \$482,000, and recognized an unrealized gain of \$1.1 million on the remaining shares as of year end
- Recognized an unrealized loss of \$3.3 million on the write down of one portfolio company
- Fair value of the company's investment portfolio at Dec. 31, 2005 was approximately \$176.7 million, representing investments in 31 portfolio companies
- Net investment income (NII) was approximately \$941,000, or \$0.10 per share, including FAS 123R expense
- Net income before income tax for the quarter was approximately \$55,000, or \$0.01 per share
- Taxable income for the quarter, as adjusted for tax purposes by deferred revenue, utilization of the net operating loss carryforward, timing differences for book and tax, and the impact of FAS 123R expense was approximately \$2.5 million, or \$0.26 per share, based on 9.8 million weighted shares outstanding
- Net assets were approximately \$114.4 million, or \$11.67 per share
- Declared and paid a distribution of \$0.025 per share on Nov. 17, 2005
- Declared a second distribution of \$0.30 per share that was paid on Jan. 27, 2006

Highlights for the Year ended Dec. 31, 2005

- Revenues for 2005 were approximately \$10.7 million, up from \$214,000 in 2004
- Successfully completed IPO in June 2005 with net proceeds to the company of approximately \$71.0 million
- Obtained \$125.0 million in credit facilities from two providers
- Total new gross debt commitments were \$211.0 million to 28 new companies, bringing total debt commitments since inception to \$227.7 million to 33 companies, including commitments to two portfolio companies that were cancelled upon loan repayment
- New gross debt fundings for 2005 totaled approximately \$175.3 million to 28 companies, bringing total debt fundings since inception to \$192.0 million to 33 companies, including two portfolio companies that fully repaid outstanding loans totaling \$12.5 million
- Total unfunded debt commitments were \$30.5 million as of Dec. 31, 2005
- New equity investments totaled \$3.5 million to six existing portfolio companies, including the exercise of an option to convert \$1.0 million of debt into equity
- Net investment income (NII) was \$1.5 million, or \$0.22 per share, including FAS 123R expense
- Recorded a gain on sale of approximately \$482,000, attributed to a realized gain on the sale of shares in one portfolio company
- Net income before income tax for 2005 was approximately \$2.4 million, or \$0.34 per share
- Taxable income for the year, as adjusted for tax purposes by deferred revenue, utilization of the net operating loss carryforward, timing differences for book and tax, and the impact of FAS 123R expense, was approximately \$5.2 million, or \$0.75 per share, based on 6.9 million weighted shares outstanding
- Overall weighted average yield to maturity on the company's loan portfolio was 12.87 percent

"I want to thank our entire team for their hard work in building shareholder value and for the terrific results they produced during the fourth quarter and throughout 2005," said Manuel Henriquez, Hercules Technology's chairman, president and CEO. "During the fourth quarter, we experienced positive developments with many of our portfolio companies. We are optimistic about our growing warrant and equity portfolio, representing over thirty venture backed technology and life sciences companies," said Henriquez.

Portfolio and Investment Activity for the Fourth Quarter and Year ended Dec.

During the fourth quarter, Hercules entered into agreements to provide debt funding of \$75.5 million to nine new companies, including companies that had signed term sheets in the third and fourth quarters. These new commitments bring the company's total debt commitments to technology and life sciences companies to \$211 million in 28 companies in 2005.

During the fourth quarter, the company funded a total of \$63.0 million in debt commitments to 12 companies, bringing the total amount funded in 2005 to \$175.3 million in 33 portfolio companies. This includes loan repayments of \$12.5 million in the fourth quarter from two portfolio companies.

During the fourth quarter, Hercules participated in one new equity funding to an existing portfolio company, representing an investment of \$250,000 in preferred equity securities, bringing total equity investments at fair value to \$4.9 million at the end of 2005. This amount includes the exercise of a warrant in one public portfolio company with a fair value of approximately \$1.3 million, including an unrealized gain of \$1.1 million at Dec. 31, 2005.

As of Dec. 31, 2005, the company's unfunded debt commitments totaled \$30.5 million to six portfolio companies.

The company's investment portfolio at fair value totaled \$176.7 million at Dec. 31, 2005, compared with \$130.4 million at Sept. 30, 2005. The net unrealized gain on the company's investment portfolio totaled \$353,000 for 2005, including an unrealized loss from the write down on one portfolio company of \$3.3 million.

At Dec. 31, 2005, the overall weighted average yield to maturity on the company's loan portfolio was 12.87 percent.

Funded debt investments to existing and new companies during the fourth quarter ended Dec. 31, 2005 included:

1. \$5.0 million to Predicant Biosciences
2. \$5.0 million to Parateck Pharmaceuticals
3. \$4.0 million to Acceleron Pharmaceuticals
4. \$4.5 million to Guava Technologies
5. \$5.5 million to Xillix Technologies
6. \$7.7 million to Wameworks, Inc.
7. \$12.8 million to Cornice, Inc.
8. \$2.0 million to Cradle Technologies
9. \$5.0 million to Pathfire, Inc.
10. \$5.0 million to Optovia Corp.
11. \$1.5 million to Invoke Solutions
12. \$5.0 million to Atrenta, Inc.

The company also made an equity investment of \$250,000 in Wameworks, Inc. during the fourth quarter ended Dec. 31, 2005.

Operating Results for the Fourth Quarter ended Dec. 31, 2005

During the fourth quarter, investment income was \$4.3 million, an increase of approximately \$680,000, or 19 percent, compared with \$3.7 million in the previous quarter.

Interest expense and loan fees were \$1.2 million during the fourth quarter, an increase of approximately \$300,000 over the third quarter. The increase in interest expense and loan fees was primarily related to \$51.0 million of new borrowings under the Citigroup credit facility.

Operating expenses were \$3.4 million, an increase of \$0.6 million, from \$2.8 million in the third quarter, primarily due to higher compensation expense.

Net investment income for the fourth quarter remained steady at \$0.9 million, compared with \$0.9 million in the third quarter of 2005. Basic net investment income was \$0.10 per share, based on 9.8 million weighted average shares outstanding, compared with \$0.09 per share in the third quarter, based on 9.8 million weighted average shares outstanding.

The net unrealized loss on investments was \$1.4 million in the fourth quarter, compared with unrealized gains of \$0.7 million in the third quarter. This net unrealized loss was the result of an unrealized loss of \$3.3 million in one portfolio company offset by net unrealized gains of approximately \$1.9 million in the warrant and equity portfolio. Certain assets of this portfolio company were sold in Jan. 2006 from which Hercules received approximately \$1.3 million in net proceeds upon disposition of the portfolio company's assets.

The net loss in the fourth quarter was \$200,000, compared with a net gain of \$1.6 million in the third quarter. The net loss in the fourth quarter was primarily due to the unrealized loss in one portfolio company as noted previously and a tax provision of \$255,000. Basic net loss was \$0.02 per share,

based on 9.8 million weighted average shares outstanding, compared with a net gain of \$0.16 per share in the third quarter, based on 9.8 million weighted average shares outstanding.

Taxable income was \$2.5 million in the fourth quarter, as adjusted for tax purposes by deferred revenue, utilization of the net operating loss carryforward, timing differences for book and tax, and the impact of FAS 123R expense. Taxable income per share was \$0.26, based on 9.8 million weighted average shares outstanding, compared with \$0.10 per share in the third quarter, based on 9.8 million weighted average shares outstanding.

Liquidity and Capital Resources

At Dec. 31, 2005, net assets totaled \$114.4 million, with a net asset value per share of \$11.67.

During the fourth quarter, we drew down \$51 million under the credit facility with Citigroup. Proceeds from the loan advances were primarily used to fund additional loan investments.

Portfolio Quality

At Dec. 31, 2005, grading of the debt portfolio, excluding warrants and equity investments, was as follows:

- Grade 1 investments totaled approximately \$9.9 million, or 5.9% of the total portfolio
- Grade 2 investments totaled approximately \$145.5 million, or 87.3% of the total portfolio
- Grade 3 investments totaled approximately \$5.5 million, or 3.3% of the total portfolio
- Grade 4 investments totaled approximately \$4.6 million, or 2.7% of the total portfolio
- Grade 5 investments totaled approximately \$1.3 million, or 0.8% of the total portfolio. Grade 5 investments were net of a write-off of approximately \$3.3 million in the fourth quarter.

The company's investments value had a weighted average investment rating of 2.05 at Dec. 31, 2005, compared with a weighted average investment rating of 2.17 at Sept. 30, 2005.

Hercules continued to diversify its portfolio within the following technology and life sciences industries (percentages are approximate and reflect the portfolio at fair value as of Dec. 31, 2005):

- 25 percent in biopharmaceutical companies
- 19 percent in communications and networking companies
- 16 percent in software companies
- 11 percent in consumer and business products companies
- 10 percent in electronics and computer hardware
- 8 percent in medical device and equipment companies
- 6 percent in semiconductor companies
- 5 percent in Internet companies

Conference Call

Hercules will host its fourth quarter 2005 financial results conference call today, Feb. 1, 2006 at 2 p.m. Pacific time (5 p.m. Eastern time).

To listen to the call, dial (866) 362-4829 approximately 10 minutes prior to the start of the call. A taped replay will be made available approximately two hours after the conclusion of the call and will remain available for one week. To access the replay, dial (888) 286-8010 and enter passcode 60316659.

The Hercules financial results conference call will also be available via a live webcast on the investor relations section of the Hercules web site at <http://www.herculestech.com>. Please access the web site 15 minutes prior to the start of the call to download and install any necessary audio software. An archived webcast replay will be available on the web site for 12 months.

About Hercules Technology Growth Capital

Founded in December 2003, Hercules Technology Growth Capital, Inc. is a NASDAQ traded specialized 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.

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.

Forward-Looking Statements

The statements contained in this release that are not purely historical are forward-looking statements, which involve risk and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. These statements may be identified by their use of forward-looking terminology such as "believes," "expects," "may," "should," "would," "will," "intends," "plans," "estimates," "anticipates" and similar words, and include, but are not limited to, statements regarding the expectations, intentions or strategies of Hercules Technology Growth Capital, Inc. For these statements, Hercules claims the protection of the safe harbor for forward-looking statements provisions contained in the Private Securities Litigation Reform Act of 1995. You should be aware that Hercules' actual results could differ materially from those contained in the forward-looking statements due to a number of risks and uncertainties affecting its business. Factors that may cause actual results to differ from forward-looking statements include Hercules' limited operating history as a business development company, the extent to which Hercules incurs debt to fund its investments, fluctuations in interest rates, the concentration of Hercules' investments in a limited number of emerging-growth or expansion stage technology-related companies, the illiquid nature of the securities Hercules' holds, the highly competitive market for investment opportunities in which Hercules operates and others discussed in Hercules' filings with the Securities and Exchange Commission. 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.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC. STATEMENT OF ASSETS AND LIABILITIES

<TABLE>
<CAPTION>

	December 31,	
	2005	2004
	<C>	<C>
Assets		
Investments, at value (cost of \$176,004,865 and \$16,700,000, respectively)	\$ 176,673,226	\$ 16,700,000
Deferred loan origination revenue	(2,729,982)	(285,232)
Cash and cash equivalents	15,362,447	8,678,329
Interest receivable	1,479,375	80,902
Prepaid expenses and other assets	1,310,594	20,942
Deferred Tax Asset	1,454,000	--
Property and equipment, net	77,673	35,231
Other assets	20,546	2,500
Total assets	193,647,879	25,232,672
Liabilities		
Accounts payable	150,081	1,979
Income tax payable	1,709,000	--
Accrued liabilities	1,436,468	152,560
Short-term loan payable	76,000,000	--
Total liabilities	79,295,549	154,539
Net assets	\$ 114,352,330	\$ 25,078,133
Net assets consist of:		
Par value	\$ 9,802	\$ 2,059
Paid-in capital in excess of par value	114,524,833	27,117,896
Distributable earnings (Accumulated loss)	(182,305)	(2,041,822)
Total net assets	\$ 114,352,330	\$ 25,078,133
Shares of common stock outstanding (\$0.001 par value, 30,000,000 authorized)	9,801,965	2,059,270
Net asset value per share	\$ 11.67	\$ 12.18

</TABLE>

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.
STATEMENT OF OPERATIONS

<TABLE>
<CAPTION>

	Three Months Ended December 31,		Year Ended December 31,	Period from February 2, 2004 (commencement of operations) to December 31, 2004
	-----		-----	-----
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
Investment income:				
Interest	\$ 3,976,210	\$ 159,424	\$ 9,791,214	\$ 214,100
Fees	363,638	--	875,429	--
Total investment income	4,339,848	159,424	10,666,643	214,100
Operating expenses:				
Interest	770,319	--	1,800,536	--
Loan fees	411,840	--	1,098,506	--
Compensation and benefits	1,353,860	480,647	3,705,784	1,164,504
General and administrative	797,410	191,869	2,261,434	388,885
Stock-based compensation	57,000	15,000	252,000	680,000
Organization costs	--	15,000	--	15,000
Depreciation	8,248	2,963	23,605	7,533
Total operating expenses	3,398,677	705,479	9,141,865	2,255,922
Net investment income	941,171	(546,055)	1,524,778	(2,041,822)
Net realized gain on investment	481,694	--	481,694	--
Net unrealized appreciation on investments	(1,367,389)	--	353,093	--
Net income before income tax	55,476	(546,055)	2,359,565	(2,041,822)
Income tax provision	(255,000)	--	(255,000)	--
Net income (loss)	\$ (199,524)	\$ (546,055)	\$ 2,104,565	\$ (2,041,822)
Net investment loss per common share:				
Basic	\$ 0.10	\$ (0.27)	\$ 0.22	\$ (1.96)
Diluted	\$ 0.09	\$ (0.27)	\$ 0.22	\$ (1.58)
Net income (loss) per common share:				
Basic	\$ (0.02)	\$ (0.27)	\$ 0.30	\$ (1.96)
Diluted	\$ (0.02)	\$ (0.27)	\$ 0.30	\$ (1.58)
Weighted average shares outstanding				
Basic	9,802,000	2,059,000	6,939,000	1,043,000
Diluted	9,917,000	2,059,000	7,016,000	1,293,000

</TABLE>

SOURCE Hercules Technology Growth Capital, Inc.

-0- 02/01/2006

/CONTACT: David M. Lund, VP of Finance and Corporate Controller of Hercules Technology Growth Capital, Inc., +1-650-289-3077; or Deb Stapleton or Christina Carrabino, both of Stapleton Communications Inc., +1-650-470-0200, for Hercules Technology Growth Capital, Inc./

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