

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) July 27, 2006

Hercules Technology Growth Capital, Inc.

(Exact Name of Registrant as specified in its charter)

Maryland	814-00702	74-3113410
(State or 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 8.01 OTHER EVENTS

HERCULES ANNOUNCES SECOND QUARTER 2006 FINANCIAL RESULTS

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1 Press release dated July 27, 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.

July , 27, 2006

/s/ SCOTT HARVEY

Scott Harvey
Chief Legal Officer

EXHIBIT INDEX

EXHIBIT NO. DESCRIPTION OF EXHIBITS

99.1 Press Release dated July 27, 2006

HERCULES ANNOUNCES SECOND QUARTER 2006 FINANCIAL RESULTS

REPORTS RECORD REVENUES OF \$6.8 MILLION; NET INVESTMENT INCOME OF \$2.5 MILLION

PALO ALTO, Calif., July 27 /PRNewswire-FirstCall/ -- 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, today announced financial results for the second quarter ended June 30, 2006.

Highlights for the Second Quarter ended June 30, 2006

- o Revenues were approximately \$6.8 million, compared with \$1.9 million in the second quarter of 2005
- o Net investment income before income taxes increased to \$2.5 million, or \$0.19 per share
- o Total realized gains were approximately \$1.6 million
- o Net income was approximately \$3.4 million, or \$0.26 per share
- o Taxable income was approximately \$4.2 million, or \$0.31 per share on 13.6 million shares outstanding at June 30, 2006
- o New debt commitments increased by \$38.5 million to six companies for total debt commitments since inception in excess of \$347.0 million
- o Debt fundings totaled approximately \$32.1 million to ten companies
- o Total debt investment portfolio was \$188.1 million in 46 portfolio companies; total equity investment portfolio was \$5.5 million in nine portfolio companies
- o Declared a fourth dividend since inception of \$0.30, payable on August 28, 2006 to shareholders of record as of July 31, 2006

"We successfully continued to demonstrate the strength of our investment strategy during the second quarter as our revenues increased to \$6.8 million, and we realized a net gain of \$1.2 million on the sale of common stock acquired upon the exercise of a warrant for shares in one portfolio company," said Manuel A. Henriquez, chairman, president and CEO of Hercules.

Portfolio and Investment Activity for the Second Quarter ended June 30, 2006

Hercules continues to distinguish itself as a leading publicly traded specialty finance company through its ability to provide one-stop financing solutions to venture-backed technology and life sciences companies, by funding senior debt, subordinated debt, equipment loans and equity, at all stages of a company's development.

During the second quarter, Hercules entered into agreements to provide debt financing of \$38.5 million to six new companies. Also during the second quarter, Hercules funded a total of \$24.0 million in debt commitments to six new companies, and provided an additional \$8.1 million to four existing companies.

Hercules also entered into three equity agreements with commitments totaling \$2.25 million and funded \$750,000 of the commitments with two existing portfolio companies.

Hercules' proceeds from principal repayments approximated \$14.9 million. These repayments were comprised of normal amortization of principal of approximately \$7.3 million, repayments of approximately \$6.9 million from two well-performing companies who prepaid their loans in full and a \$700,000 pay down on a working capital line.

Also during the second quarter, Hercules recorded realized gains of \$1.6 million. These gains were comprised of \$1.2 million from the sale of common stock acquired upon the exercise of a warrant for shares in one portfolio company and a \$360,000 recovery for a contingent payment received from the purchaser of a portfolio company sold in the previous quarter.

As of June 30, 2006, Hercules' unfunded debt commitments approximated \$85.2 million to 18 portfolio companies. In addition, the Company executed non-binding term sheets with 10 prospective portfolio companies, representing approximately \$74.5 million. These proposed investments are subject to the completion of the Company's due diligence and final approval process, as well as the negotiation of definitive documentation with the prospective portfolio companies which may not result in completed investments.

The fair value of Hercules' debt portfolio as of June 30, 2006 approximated

\$188.1 million, representing investments in 46 portfolio companies, compared with \$87.3 million as of June 30, 2005, representing investments in 19 portfolio companies. The fair value of the Company's equity portfolio as of June 30, 2006 was \$5.5 million, representing investments in nine portfolio companies. There were no equity investments as of June 30, 2005.

The overall weighted average yield to maturity on the Company's loan portfolio approximated 12.80% as of June 30, 2006. Yields to maturity are computed using interest rates as of June 30, 2006, and include amortization of loan facility fees, commitment fees and market premiums or discounts over the expected life of the debt investments, weighted by their respective costs when averaged and are based on the assumption that all contractual loan commitments have been fully funded.

Operating Results for the Second Quarter ended June 30, 2006

Investment income during the second quarter was \$6.8 million, compared with \$1.9 million in the second quarter of 2005.

Interest expense and loan fees approximated \$1.6 million during the second quarter, representing an increase of approximately \$767,000 from approximately \$878,000 in the comparable quarter of 2005. The increase is primarily related to borrowings under the Citibank credit facility that were not outstanding during the second quarter of 2005. During the second quarter of 2006, Hercules fully repaid its outstanding balance of \$15.0 million under the Farallon bridge loan and paid down \$10.0 million under its Citigroup credit facility.

Total operating expenses, excluding interest expense and loan fees, were \$2.7 million, an increase of \$1.3 million, compared with \$1.4 million in the second quarter of 2005. The increase was primarily due to additional headcount, higher legal and accounting expenses related to being a public company, including expenses related to the implementation of the requirements under the Sarbanes Oxley Act.

Net investment income before provision for income taxes for the second quarter was approximately \$2.5 million, compared with a loss of approximately \$334,000 in the second quarter of 2005. Net investment income before provision for income taxes on a basic per share basis during the second quarter of 2006 was \$0.19 per share, based on 12.9 million weighted average shares outstanding, compared with a loss \$0.07 per share in the comparable quarter of 2005, based on 5.1 million weighted average shares outstanding.

The net decrease in unrealized appreciation on investments was approximately \$1.5 million in the second quarter, compared with a net appreciation on investments of approximately \$1.0 million in the second quarter of 2005. The net decrease was primarily attributed to the conversion of an unrealized gain to a realized gain in the second quarter.

Net income during the second quarter of 2006 was \$3.4 million, compared with net income of \$710,000 in the second quarter of 2005. Basic net income was \$0.26 per share, based on 12.9 million weighted average shares outstanding, as compared with net income of \$0.14 per share in the comparable quarter in 2005, based on 5.1 million weighted average shares outstanding.

Taxable income approximated \$4.2 million during the second quarter, as adjusted for the effects of deferred revenue, timing differences for book and tax and the impact of FAS 123R expense. Basic taxable income was \$0.33 per share, based on 12.9 million weighted average shares outstanding.

The Company intends to elect to be regulated as a Registered Investment Company ("RIC") for the 2006 tax year and began reporting its operations as a RIC during the second quarter. As a result, the Company recognized a tax benefit of approximately \$800,000 in the second quarter related to the reversal of approximately \$1.8 million for the tax provision of the first quarter of 2006, offset by a valuation allowance of approximately \$1.0 million on its deferred tax assets and an estimated tax expense related to RIC tax elections.

Liquidity and Capital Resources

At June 30, 2006, net assets were approximately \$153.3 million, with a net asset value per share of \$11.24.

As of June 30, 2006, Hercules had an outstanding balance of \$61.0 million under the Citigroup credit facility, with \$64.0 million available, subject to existing terms and advance rates. The Company and Citigroup have agreed to extend the credit facility for an additional year.

The Company ended the second quarter with \$23.2 million in cash.

Portfolio Quality

At June 30, 2006, grading of the debt portfolio, excluding warrants and equity investments, was as follows:

- o Grade 1 investments totaled approximately \$11.9 million, or 6.5% of the total portfolio
- o Grade 2 investments totaled approximately \$132.5 million, or 73.1% of the total portfolio
- o Grade 3 investments totaled approximately \$25.2 million, or 13.9% of the total portfolio
- o Grade 4 investments totaled approximately \$11.7 million, or 6.5% of the total portfolio
- o Grade 5 investments totaled approximately \$0.0 million, or 0.0% of the total portfolio.

At June 30, 2006, the weighted average loan grade of Hercules' loan portfolio was 2.21 on a scale of 1 to 5, with 1 being the highest quality, compared with 2.04 as of March 31, 2006. Hercules policy is to reduce the grading on its portfolio companies as they approach the point in time when they will require additional equity capital. Various companies in the portfolio will require additional funding in the near term and have therefore been downgraded until the funding is complete.

Hercules portfolio diversification within the technology and life sciences industries was as follows at June 30, 2006 (percentages are approximate and reflect the portfolio at fair value as of June 30, 2006):

- o 32% in biopharmaceutical companies
- o 18% in software companies
- o 13% in communications and networking companies
- o 10% in consumer and business products companies
- o 8% in electronics and computer hardware
- o 7% in medical device and equipment companies
- o 6% in Internet companies
- o 5% in semiconductor companies
- o 1% in energy companies

Conference Call

Hercules will host its second quarter 2006 financial results conference call today, July 27, 2006 at 2 p.m. Pacific time (5 p.m. Eastern time).

To listen to the call, please dial (800) 573-4842, 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, please dial (888) 286-8010 and enter passcode 72192919.

The Hercules financial results conference call will be available via a live webcast on the investor relations section of the Hercules web site at <http://www.herculestech.com>. 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, 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@htgc.com or call 650-289-3060.

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 based 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.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(unaudited)

<TABLE>
<CAPTION>

	June 30, 2006	December 31, 2005
	----- (unaudited)	-----
<S>	<C>	<C>
Assets		
Investments, at value (cost of \$190,355,515 and \$176,004,865 respectively)	\$ 193,571,348	\$ 176,673,226
Deferred loan origination revenue	(3,222,094)	(2,729,982)
Cash and cash equivalents	23,211,755	15,362,447
Interest receivable	2,089,839	1,479,375
Prepaid expenses	564,422	1,310,594
Deferred Tax Asset	--	1,454,000
Property and equipment, net	84,662	77,673
Other assets	939,176	20,546
Total assets	217,239,108	193,647,879
Liabilities		
Accounts payable	679,984	150,081
Income tax payable	--	1,709,000
Accrued liabilities	2,230,038	1,436,468
Short-term loan payable	61,000,000	76,000,000
Total liabilities	63,910,022	79,295,549
Net assets	\$ 153,329,086	\$ 114,352,330
Net assets consist of:		
Par value	\$ 13,646	\$ 9,802
Paid-in capital in excess of par value	153,637,429	114,524,833
Distributable earnings (Accumulated deficit)	(321,989)	(182,305)
Total net assets	\$ 153,329,086	\$ 114,352,330
Shares of common stock outstanding (\$0.001 par value, 30,000,000 authorized)	13,646,857	9,801,965
Net asset value per share	\$ 11.24	\$ 11.67

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	----- 2006	----- 2005	----- 2006	----- 2005
<S>	<C>	<C>	<C>	<C>
Investment income:				
Interest	\$ 6,175,831	\$ 1,720,281	\$ 11,810,370	\$ 2,395,885
Fees	612,080	192,543	1,464,674	270,912
Total investment income	6,787,911	1,912,824	13,275,044	2,666,797
Operating expenses:				

Interest	1,357,893	444,444	3,034,875	444,444
Loan fees	286,688	433,333	537,481	433,333
Compensation and benefits	1,127,238	869,874	2,332,320	1,364,828
General and administrative	1,418,584	442,770	2,603,977	645,419
Stock-based compensation	130,000	56,000	253,000	80,000
Total operating expenses	4,320,403	2,246,421	8,761,653	2,968,024
Net investment income (loss) before provision for income tax and investment gains and losses	2,467,508	(333,597)	4,513,391	(301,227)
Income tax (benefit) expense	(771,823)	--	988,177	--
Net investment income	3,239,331	(333,597)	3,525,214	(301,227)
Net realized gain on equity investment	1,599,422	--	3,144,443	--
Net (decrease) increase in unrealized appreciation on investments	(1,472,381)	1,043,392	(798,292)	1,043,392
Net gain on investments	127,041	1,043,392	2,346,151	1,043,392
Net increase in net assets resulting from operations	\$ 3,366,372	\$ 709,795	\$ 5,871,365	\$ 742,165
Net investment income (loss) before provision for income tax and investment gains and losses:				
Basic	\$ 0.19	\$ (0.07)	\$ 0.40	\$ (0.08)
Diluted	\$ 0.19	\$ (0.06)	\$ 0.39	\$ (0.07)
Change in net assets per common share:				
Basic	\$ 0.26	\$ 0.14	\$ 0.52	\$ 0.19
Diluted	\$ 0.26	\$ 0.14	\$ 0.51	\$ 0.18
Weighted average shares outstanding				
Basic	12,859,474	5,121,000	11,394,175	4,006,000
Diluted	12,944,601	5,242,000	11,479,302	4,119,000

SOURCE Hercules Technology Growth Capital, Inc.

-0- 07/27/2006

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