



## **Patriot Capital Funding Receives Proceeds of \$13.9 Million From Full Repayment of its Debt and Equity Investment in a Leading Provider of Clinical Research Services**

WESTPORT, CT - September 12, 2008 - Patriot Capital Funding, Inc. (NasdaqGS: PCAP), a specialty finance company providing flexible financing solutions to small- to mid-sized companies primarily in transactions initiated by private equity sponsors, today announced that on September 2, 2008, it received proceeds of \$12.9 million in conjunction with the full repayment of its senior secured loan and subordinated debt investment in a leading provider of clinical research services. Additionally, Patriot Capital Funding received \$1.0 million in conjunction with the sale of its equity co-investment, which was made alongside the private equity sponsor in the transaction, Celerity Partners. Patriot Capital Funding earned an internal rate of return of approximately 16.8% on its entire debt investment and in excess of 130% on its equity investment, not including contingent future payments that may also be earned on the investment.

"Celerity made the right choice to partner with Patriot Capital Funding. They provided one-stop financing and had a flexible approach that helped facilitate a successful transaction for us," said Allen Chi, a Partner at Celerity. "This was a very successful transaction for us and we look forward to continuing our relationship with Celerity through other investment opportunities," said Richard Buckanavage, President and CEO of Patriot Capital Funding. "Through the exit of this investment, we are beginning to establish a solid track record of investing equity capital in addition to our well established record of investing debt capital," concluded Mr. Buckanavage.

### **About Patriot Capital Funding, Inc.**

Patriot Capital Funding, Inc. ([www.patcapfunding.com](http://www.patcapfunding.com)) is a specialty finance company providing customized financing solutions primarily to private equity sponsors focused on making investments in small- to mid-sized companies. Patriot Capital Funding typically invests in companies with annual revenues ranging from \$10 million to \$100 million that operate in diverse industry sectors. Investments usually take the form of senior secured loans, junior secured loans, and subordinated debt investments in addition to equity or equity-related instruments. Patriot Capital Funding also offers "one-stop" financing, which typically includes a revolving credit line, one or more senior term loans and a subordinated debt investment. Patriot Capital Funding makes equity co-investments of generally up to \$3.0 million.

### **About Celerity Partners**

Celerity Partners is a private equity firm dedicated to building businesses into market leaders. It sponsors management buyouts or recapitalizations of companies with revenues of \$10 million or more and provides later stage capital to companies in a rapid growth mode. Celerity Partners often accelerates the organic growth of a company through the initiation of a focused, proactive acquisition program. Celerity Partners has approximately \$200 million of equity capital under management. Areas of interest include product and service businesses in growing sectors of the U.S. economy, including consumer, IT, life sciences and health care. For more information, please visit [www.celeritypartners.com](http://www.celeritypartners.com)

### **Forward-Looking Statements**

This press release may contain certain forward-looking statements, including statements with regard to the future performance of Patriot Capital Funding. Words such as "believes," "expects," "projects," and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements, and some of these factors are enumerated in Patriot Capital Funding's annual report on Form 10-K for the year ended December 31, 2007, and other filings with the Securities and Exchange Commission. Patriot Capital Funding undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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