



**ZAYO GROUP SECURES \$30 MILLION IN DEBT FINANCING**  
*Incremental Term Debt Enables Key Acquisition, Doubling Network Footprint*

(Louisville, Colo.) March 5, 2008 – Zayo Group – a regional provider of bandwidth and telecommunications services – announced it has closed on \$30 million in debt financing. The funding comes from three institutions led by CIT and is co-sponsored by CoBank and Hercules Technology Growth Capital, Inc.

The incremental term debt enabled Zayo’s recent acquisition of Citynet Fiber Network (CFN), the wholesale division of integrated communications provider Citynet. The CFN acquisition, Zayo’s sixth since spring 2007, primarily affects Zayo Bandwidth, Zayo Group’s business unit focused on high capacity bandwidth services. The addition of CFN’s network doubled Zayo Bandwidth’s metro and regional fiber route miles to 17,000, serving 1,400 on-net locations across 95 markets in 12 states.

“This is an exciting time for Zayo. The continued support of our lenders and investors enables us to extend the Zayo network into key customer locations to fulfill existing bandwidth requirements as well as meet the needs of new customers,” said Dan Caruso, CEO of Zayo Group.

To date, Zayo Group has raised \$225 million in equity financing and secured \$115 million in debt facilities. With strong financial backing and the veteran leadership team of Caruso and John Scarano, Zayo is poised to continue its growth into 2008 and beyond.

“We have confidence in Zayo’s leadership team to implement a successful business strategy for growth and expansion,” said Rob West, CoBank’s senior vice president of communications. “Our funding agreement with Zayo is part of a long history at CoBank of supporting efforts to deliver advanced communications services to rural America.”

Zayo Group’s acquisition of CFN extends the network footprint, giving Zayo Bandwidth a more significant presence throughout the Mid-Atlantic and Northeastern regions of the US. Zayo’s fiber network now connects to more local exchange carrier central offices and carrier hotels, as well as wireless mobile switching centers, furthering its mission of providing carrier and large enterprise customers with fiber based bandwidth services.

“The fiber transport market is undergoing a consolidation phase,” said Tom Westdyk, Managing Director, CIT Communications Media and Entertainment. “Zayo has put together an impressive set of network assets over an attractive geography. Its experienced management team will utilize this network to provide value added services to its growing customer base. CIT is pleased to be a part of this team and remains committed to deploying capital in this industry.”

**About Zayo Group**

Based in Louisville, Colo., Zayo Group ([www.zayo.com](http://www.zayo.com)) is a regional provider of telecom services – including bandwidth, voice and managed services – to carrier, enterprise, SME and government customers. Zayo Group provides its service over a fiber network that spans 95 markets in 12 states. Zayo Group consists of three complimentary business units with combined revenue of \$160 million.



Zayo Group has strong financial backing from five experienced telecom and Internet investors: Battery Ventures ([www.battery.com](http://www.battery.com)), Columbia Capital ([www.colcap.com](http://www.colcap.com)), Centennial Ventures ([www.centennial.com](http://www.centennial.com)), MC Venture Partners ([www.mcventurepartners.com](http://www.mcventurepartners.com)) and Oak Investment Partners ([www.oakinv.com](http://www.oakinv.com)). Zayo's significant financial backing provides the flexibility to extend and enhance its services and fiber network to support the ever-increasing bandwidth appetite of its customers.

#### **About CIT**

CIT (NYSE: CIT) is a global commercial finance company that provides financial products and advisory services to more than one million customers in over 50 countries across 30 industries. A leader in middle market financing, CIT has more than \$80 billion in managed assets and provides financial solutions for more than half of the Fortune 1000. A member of the S&P 500 and Fortune 500, it maintains leading positions in asset-based, cash flow and Small Business Administration lending, equipment leasing, vendor financing and factoring. The CIT brand platform, Capital Redefined, articulates its value proposition of providing its customers with the relationship, intellectual and financial capital to yield infinite possibilities. Founded in 1908, CIT is celebrating its Centennial throughout 2008. [www.cit.com](http://www.cit.com).

#### **About CoBank**

CoBank, a \$52 billion Denver-based cooperative bank, provides financing to rural cooperatives and critical lifeline businesses – food, water, electricity and communications – across the United States. Part of the \$186 billion U.S. Farm Credit System, the bank also finances agricultural exports. In addition to the national office in Denver, CoBank has offices across the United States and one international representative office.  
[www.cobank.com](http://www.cobank.com)

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

Hercules Technology Growth Capital, Inc. is a NASDAQ traded specialty finance company providing debt and equity growth capital to technology and life science companies at all stages of development. Founded in December 2003, the company primarily finances privately held companies backed by leading venture capital and private equity firms. Hercules invests in a broad range of ventures active in technology and life science industries and offers a full suite of growth capital products up and down the capital structure. The company is headquartered in Palo Alto, Calif. and has additional offices in the Boston, Boulder, Los Angeles and Chicago areas. Providing capital to publicly-traded or privately-held companies backed by leading venture capital and private equity firms involves a high degree of credit risk and may result in potential losses of capital. For more information, please visit [www.HTGC.com](http://www.HTGC.com).

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