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NextStage Capital and Osage Ventures Complete Series A Preferred Investment In HardMetrics

Performance Management Software Company to Use Funding to Continue Expansion

AUDOBON & BALA CYNWYD, PA – December 5, 2006 – NextStage Capital and Osage Ventures, both early stage venture capital funds focused on Mid-Atlantic technology companies, today announced they have co-led a Series A Preferred Round investment of \$4.0 million in HardMetrics, Inc. Headquartered in Doylestown, PA, HardMetrics plans to use this funding to build on its initial success in call center performance management and to fuel expansion into other market segments.

“HardMetrics delivers a very usable and cost-effective solution that addresses a deficiency in today’s existing performance management systems,” said Rob Adams, General Partner at NextStage Capital. Darren Wallis, Managing Partner at Osage Ventures, indicated, “Their unique approach has resonated in the marketplace, which is evident in their growing customer base, channel partners and revenues. That, in combination with the extensive industry experience of the management team, gives us great confidence in the continued success of this company.” Adams and Wallis have joined HardMetrics’ Board of Directors.

HardMetrics’ business performance management solution enables enterprises to proactively monitor and measure progress against organizational goals. The company’s initial offering, Call Center Performance Manager (CCPM), was released in 2005 to boost contact center productivity and performance, while allowing the rest of the enterprise to leverage invaluable customer interaction data collected by the contact center. CCPM has been built on a powerful generalized performance management engine, that can be adapted for use by any business process ranging from customer service, sales, P/L management, to marketing campaign management. Unlike current market alternatives, HardMetrics reduces the burden on IT by taking a ‘self-service’ approach that gives users the ability to define, drill and maintain any analytic view they desire and in the format they choose.



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NextStage Capital and Osage Ventures / 2

"As performance management continues to shift from tracking efficiencies to aligning processes and measuring effectiveness, we believe that the keys to wise investment are the speed (and therefore cost) of implementation, the ability to customize the outputs to meet specific business requirements and the lifetime cost of the product," said Richard Snow, Vice President and Research Director at Ventana Research. "We advise businesses to seriously consider HardMetrics as an option because of the product's capabilities, its speed of implementation and the considerable experience of HardMetrics' team."

"We were very selective with this round of investors since at this critical stage in our growth, we wanted investors that could offer a mutually beneficial partnership," said Don Saunders, CEO of HardMetrics. "The investor syndicate impressed us with the level of professionalism, integrity and flexibility they displayed and we felt very comfortable working with them as investors, colleagues and business partners. Additionally, we were able to leverage NextStage Capital's integration with recruitment firm TWC Group to round out our executive team, and we intend to continue using this alliance to build out our team."

About NextStage Capital

NextStage Capital, L.P. is an early stage venture capital fund focused on investing in undiscovered software and hardware technology and/or services companies in the Mid-Atlantic region. NextStage Capital's investment approach is to find entrepreneurs with solid track records who offer a unique and powerful value proposition to customers in growing market sectors. In addition to providing strategic counsel, NextStage Capital offers its portfolio companies value-added recruiting services at no charge through its partnership with TWC Group, a recruitment process outsourcing company with more than a decade of building management teams for many of the region's most successful venture-backed companies. For more information on NextStage Capital, please visit www.nextstagecapital.com. Additional information on TWC Group can be found at www.twcgroup.com.

About Osage Ventures

Osage Ventures is a venture capital fund that seeks to invest in determined and creative entrepreneurs that have a unique concept or product. Osage provides capital and value-added services to early stage IT/enabling technology and life science/healthcare businesses in the Northeast corridor. Initial investments range from \$1-\$1.5 million. Additional information is available at www.osageventures.com.



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NextStage Capital and Osage Ventures / 3

About HardMetrics

HardMetrics, Inc. is the pioneer in 'end-user self-service' performance management solutions. The company developed its powerful business process management engine, HardMetrics Performance Manager, to help enterprises proactively monitor and measure progress against organizational goals. The company's first product offering, Call Center Performance Manager (CCPM) has been designated a "Best of Breed" product by the premier technology analysts serving the Fortune 500®. HardMetrics solutions have been deployed by customers with collections, insurance, fault detection, sales, HR, telecommunication, finance, outsourcing and campaign management business processes. For more information call 215.297.9738 or visit www.hardmetrics.com.

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