

Gladstone Capital Corporation Clarifies Reports Released by Reuters

Reuters said that the Company "says may not comply with debt covenants" which was not said by the Company Reuters said the Company "says non-performing assets likely to increase" which was not said by the Company

MCLEAN, Va.--(BUSINESS WIRE)-- Gladstone Capital Corp. (NASDAQ: GLAD) (the "Company") today reported that certain statements in the Reuters report dated Feb 3, 2008 written by Reuters reporters Anurag Kotoky and Amiteshwar Sing in Bangalore India, were not correct.

The Company did not say in its quarterly conference call to shareholders or in its earnings press release that it may not comply with its debt covenants. Further, it is currently in compliance with its debt covenants.

The Company did not say in its quarterly conference call to shareholders or in its earnings press release that its non-performing assets are likely to increase. The Company has approximately \$12 million of non-performing assets which is 3% of its assets at its costs that are non-performing.

The Company urges investors who have not yet done so to listen to the replay of the Company's quarterly conference call, which was held on February 4, 2009. To hear the replay, please dial (877) 660-6853, access playback account 286 and use ID code 309391. The replay will be available through March 4, 2009.

The Company also encourages all potential investors to review the Company's Form 10-Q for the quarter ended December 31, 2008 for a more detailed discussion of the Company's financial condition. The Form 10-Q, which was filed with the SEC on February 3, 2009, can be retrieved from the SEC's website at www.sec.gov or from the Company's web site at www.GladstoneCapital.com. A paper copy can be obtained free of charge by writing to us at 1521 Westbranch Drive, Suite 200, McLean, VA 22102.

This press release may include statements that may constitute "forward-looking statements," including statements with regard to the future performance of the Company. Words such as "should," "could," "believes," "feel," "expects," "confident," "projects," "strive," "goals," and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements inherently involve certain risks and uncertainties, although they are based on the Company's current plans that are believed to be reasonable as of the date of this press release. Factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements include, among others, those factors listed under the caption "Risk factors" of the

Company's Form 10-K for the fiscal year ended September 30, 2008, as filed on December 2, 2008 and the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2008, as filed on February 3, 2009. The risk factors set forth in the Form 10-K and Form 10-Q under the caption "Risk Factors" are specifically incorporated by reference into this press release. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Source: Gladstone Capital Corp.