

January 9, 2007



# Gladstone Capital Announces Monthly Dividends for January, February and March of \$0.14 per Common Share

MCLEAN, Va.--(BUSINESS WIRE)--

Gladstone Capital Corp. (Nasdaq:GLAD) (the "Company") announced today that the Board of Directors declared dividends of \$0.14 per common share for each of the months of January, February and March of 2007. Monthly dividends will be payable on January 31, 2007, February 28, 2007 and March 30, 2007 to those shareholders of record for those dates on January 23, 2007, February 20, 2007 and March 22, 2007, respectively. The dividends equate to a quarterly dividend of \$0.42.

Gladstone Capital offers a Dividend Reinvestment Plan (DRIP). For more information regarding the DRIP, please visit our website at [www.GladstoneCapital.com](http://www.GladstoneCapital.com).

Summary Table for common stock dividends for the Quarter Ending March 31, 2007:

| Declared                                     | X-Dividend  | Record Date | Payment Date | Amount |
|----------------------------------------------|-------------|-------------|--------------|--------|
| January 9                                    | January 19  | January 23  | January 31   | \$0.14 |
| January 9                                    | February 16 | February 20 | February 28  | \$0.14 |
| January 9                                    | March 20    | March 22    | March 30     | \$0.14 |
| Total for the Quarter Ending March 31, 2007: |             |             |              | \$0.42 |

In order to comply with the requirements of Section 19 of the Investment Company Act of 1940, as amended, the Company will post a Section 19 notice to the "Important Notices" section of the DTC website ([www.dtc.org](http://www.dtc.org)) and send out to its registered shareholders a Section 19 notice along with the payment of dividends declared for the months of January, February and March. This notice will not be for tax reporting purposes and will be provided only for informational purposes.

Gladstone Capital Corporation is a specialty finance company that invests in debt securities consisting primarily of senior term loans, second lien loans, and senior subordinate loans in small and medium sized businesses. For more information please visit our website at [www.GladstoneCapital.com](http://www.GladstoneCapital.com).

For further information contact Investor Relations at 703.287.5835.

This press release may include statements that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section

21E of the Securities Exchange Act of 1934, as amended, including statements with regard to the future performance of the Company. Words such as "believes," "expects," "estimated," "projects," "seeks," 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" in the Company's Form 10-K dated September 30, 2006, as filed with the Securities and Exchange Commission on December 6, 2006. 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.