

/C O R R E C T I O N -- Gladstone Capital Corporation/

In the news release, ISS Corporate Services, Inc. and Glass Lewis & Co. Recommend "For" Vote on NAV Proposal for Gladstone Capital Corporation's 2012 Annual Meeting of Stockholders, issued 6-Feb-2012, by Gladstone Capital Corporation (the "Company") over PR Newswire, we are advised by the Company that it incorrectly identified ISS Corporate Services, Inc. as an issuer of a report pertaining to the Company's 2012 Annual Meeting of Stockholders. Rather, the issuer of such report was actually Institutional Shareholder Services Inc. The complete, corrected release follows:

Institutional Shareholder Services Inc. and Glass Lewis & Co. Recommend "For" Vote on NAV Proposal for Gladstone Capital Corporation's 2012 Annual Meeting of Stockholders

MCLEAN, Va., Feb. 6, 2012 /PRNewswire/ -- [Gladstone Capital Corporation](#) (NASDAQ: GLAD) (the "Company") announced today that the industry's two leading independent proxy advisory firms -- Institutional Shareholder Services Inc. ("ISS"), and Glass Lewis & Co. ("Glass Lewis") -- each recently issued a report recommending that the Company's stockholders vote "FOR" a proposal included in the proxy statement for the Company's 2012 Annual Meeting of Stockholders (the "Annual Meeting") which would allow the Company to issue and sell shares of its common stock below its then-current net asset value per share ("NAV"), subject to certain limitations delineated in the Company's definitive proxy statement.

(Logo: <https://photos.prnewswire.com/prnh/20101005/GLADSTONECAPITAL>)

The following proposals are scheduled for a vote at the Annual Meeting:

- Approval of a proposal to authorize the Company to sell shares of its common stock at a price below its then-current NAV (subject to certain limitations delineated in the proxy statement);
- Election of incumbent directors, Terry Lee Brubaker, David A.R. Dullum and John Reilly to hold office until the 2015 Annual Meeting of Stockholders; and
- Ratification of the selection by the Audit Committee of the Board of Directors of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for its fiscal year ending September 30, 2012.

The Annual Meeting is scheduled for Thursday, February 16, 2012 at 11:00 a.m. local time at the Hilton McLean Tysons Corner located at 7920 Jones Branch Drive, McLean, Virginia.

NAV Proposal

The Company's proxy statement includes a proposal to authorize the Company, with the approval of its board of directors, to issue and sell shares of its common stock (during the

next 12 months from the date of the Annual Meeting) at a price below its then-current NAV, subject to certain limitations set forth in the proxy statement (including, without limitation, that the cumulative number of shares issued and sold pursuant to such authority does not exceed 25% of the then outstanding common stock immediately prior to each such sale). Each of ISS and Glass Lewis recommended a vote "FOR" such proposal.

Election of Directors

Regarding the election of three incumbent directors (Terry Lee Brubaker, David A.R. Dullum and John Reilly) to hold office until the 2015 Annual Meeting of Stockholders, each of ISS and Glass Lewis recommended a vote "FOR" Mr. Reilly, who is an independent director, and "FOR" Mr. Brubaker, an inside director (the Company's current Vice Chairman and Chief Operating Officer). Regarding the election of Mr. Dullum, who is also an inside director (the current President of Gladstone Investment Corporation, an affiliated publicly-traded business development company), ISS recommended a vote "FOR" while Glass Lewis recommended a vote "AGAINST," primarily citing the fact that the Company does not maintain a board of directors comprised of at least 75% of independent directors (currently, of the board's nine directors, five are independent).

Ratification of PricewaterhouseCoopers LLP as Independent Registered Accounting Firm

Regarding the proposal to ratify the Company's Audit Committee's selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for its fiscal year ending September 30, 2012, each of ISS and Glass Lewis recommended a "FOR" vote.

Important Information:

The Company reminds stockholders that their vote is important, and urges all stockholders to take a moment to vote their shares. Stockholders with questions related to the Annual Meeting or the voting of their shares, or who need to request additional proxy materials, are strongly encouraged to contact the Company's proxy solicitor, Georgeson Inc. at (800) 932-9864, or the Company at 1-866-366-5745.

The Company also conducted an informational call with stockholders on January 11, 2012, regarding the aforementioned proposals. Stockholders who were unable to listen to the call may access the replay by calling (877) 344-7529 and using conference code 10005961. The webcast replay of the conference call will be available online through February 16, 2012, the date of the Annual Meeting at www.gladstonecapital.com.

On December 19, 2011, the Company filed its definitive proxy statement (filed as DEF 14A, on December 19, 2011) with the Securities and Exchange Commission ("SEC") in connection with the Annual Meeting. The Company's stockholders are strongly advised to read the proxy statement carefully before making any voting or investment decision. The Company's proxy statement and any other materials filed by the Company with the SEC can be obtained free of charge at the SEC's website at www.sec.gov or from the Company's website at www.gladstonecapital.com.

Gladstone Capital Corporation is a publicly traded business development company that

invests in debt securities consisting primarily of senior term loans, second term lien loans, and senior subordinate term loans in small and medium sized U.S. businesses. The Company has paid 100 consecutive monthly cash distributions on its common stock. Before the Company started paying monthly distributions, the Company paid eight consecutive quarterly cash distributions. Information on the business activities of all the Gladstone funds can be found at www.gladstonecompanies.com.

For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit www.gladstone.com.

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