



January 12, 2011

Gladstone Capital Corporation Appoints David Watson as Chief Financial Officer

MCLEAN, Va., Jan. 12, 2011 /PRNewswire/ -- David Watson was appointed by the Board of Directors of Gladstone Capital Corporation (Nasdaq: GLAD) (the "Company") to be the Company's Chief Financial Officer, effective January 11, 2011. Since January 2010, Mr. Watson, age 35, has served and will continue to serve as the Chief Financial Officer for Gladstone Investment Corporation, an affiliated fund of the Company. Prior to joining the Gladstone organization, Mr. Watson served as Director of Portfolio Accounting for MCG Capital Corporation from August 2007 to January 2010. From July 2001 to July 2007, Mr. Watson was employed by Capital Advisory Services, LLC, which subsequently joined Navigant Consulting, Inc., where he held various positions providing finance and accounting consulting services.

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

Gladstone Capital Corporation is a specialty finance 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 businesses. 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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