



*Press Release for April 6, 2004*

**HEADLINES: Gladstone Capital announced an increase in its monthly cash dividends from \$0.11 to \$0.115 per common share to be paid to shareholders in April, May and June of 2004.**

---

McLean, VA: Gladstone Capital Corp. (NASDAQ: GLAD) (the “Company”) announced today that the Board of Directors declared cash dividends of \$0.115 per common share for the months of April, May and June of 2004. Monthly dividends will be payable on April 30, 2004, May 28, 2004, and June 30, 2004, with shareholders of record for those dates on April 19, 2004, May 17, 2004 and June 17, 2004, respectively. This is a 19% increase in the quarterly dividend of \$0.29 per common share paid last year for the June 30, 2003 quarter.

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).

The Company provides the estimated tax characteristics of its dividend on a quarterly basis and those estimates are subject to recharacterization. The current dividend is estimated to be a distribution of ordinary income. The actual tax characteristics will be reported to each shareholder on a Form 1099 at the end of the tax year.

**Summary Table**

<b>Declared</b>	<b>X-Dividend</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Amount</b>
<b>April 6</b>	<b>April 16</b>	<b>April 19</b>	<b>April 30</b>	<b>\$0.115</b>
<b>April 6</b>	<b>May 14</b>	<b>May 17</b>	<b>May 28</b>	<b>\$0.115</b>
<b>April 6</b>	<b>June 15</b>	<b>June 17</b>	<b>June 30</b>	<b>\$0.115</b>
<b>Total for the Quarter</b>				<b>\$0.345</b>

For further information contact Harry Brill or Skye Breeden at 703-286-7000.

-----  
*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,” “projects” 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, 2003, as filed with the Securities and Exchange Commission on December 11, 2003. 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.*