

FOR IMMEDIATE RELEASE:

**GOLUB CAPITAL CLOSSES FOURTH FUND WITH
TOTAL COMMITMENTS OF \$800 MILLION
AND UNIQUE FEE STRUCTURE**

NEW YORK – May 10, 2005 – Golub Capital Incorporated today announced that it held the final closing for its largest fund to date, Golub Capital Partners IV, L.P., with \$800 million available for investment.

Golub Capital Partners IV, L.P. is unique in two respects:

1. Golub Capital Partners IV, L.P. is the only large mezzanine fund that is managed by an investment firm that never sponsors LBO's in competition with its clients. All other large mezzanine funds (public and private) have affiliates that sponsor LBO's and compete with private equity firms. Golub Capital's growth has been accelerated by private equity firms that prefer to do business with partners who offer financing, not competition.
2. Golub Capital Partners IV, L.P. has introduced a unique, lower management fee structure. The fund charges no management fees whatsoever on unfunded limited partner commitments. Investors are only charged fees on capital that is actually at work in portfolio investments. Golub Capital believes that in the future, many institutional investors will insist on this fee structure from private mezzanine funds.

Golub Capital is a provider of innovative combinations of subordinated debt, second lien debt, preferred stock, one-stop debt facilities, and co-investment equity to U.S.-based middle-market companies. With its larger capital base, Golub Capital now makes initial investments of up to \$40 million per transaction, with additional capital available for follow-on investments. The firm also participates in selected first lien syndicated loans. The firm has offices in Atlanta, Chicago and New York.

Golub Capital closed 21 deals in 2004 and has completed 12 transactions to date in 2005. The firm most recently invested \$27.0 MM in Dr. Leonard's Healthcare Corp., \$17.5MM in Specialty Catalog Corp., \$17.5MM in Global Power Systems, L.L.C., \$15.0MM in Bob's Discount Furniture, and \$10.0MM in TLC Health Care Services, Inc.

"We focus exclusively on helping private equity firms to succeed. We offer financing and solutions, not competition," says Lawrence E. Golub, Founder and President. "We never compete with our clients, and in return, our clients have rewarded us with tremendous growth. Our client-centered approach has also helped the firm attract many of the top lending professionals in the industry."

Golub Capital, founded in 1994, has more than doubled in size in the past 3 years. In anticipation of the new fund, the firm added five senior deal professionals to its team, including David Golub, Vice Chairman; Andrew H. Steuerman, Managing Director; Thomas M. Turmell, Principal; Charles F. Riceman, Principal; and Gregory A. Robbins, Vice President. The firm plans to add two senior professionals later this year and welcomes inquiries from successful, experienced deal makers who share the firm's client-driven approach.

“Our limited partners recognize the value we bring to private equity firms with our creativity, loyalty and post-closing flexibility,” expressed Greg Cashman, a Managing Director who has been with the firm since 1996. “I believe Golub Capital is truly unique in combining a broad range of financial products with the flexibility and responsiveness that our clients need.”

“The leverage buyout market is no different from other industries where customers want to consolidate their vendor base. Golub Capital has become the partner of choice for its private equity customers,” says Andrew Steuerman, Managing Director. “This new fund and our expanded product offering has been a direct result of our customers’ feedback and requirements – the initial reactions have been overwhelming.”

Contact:

Lawrence Golub – Founder and President (212) 750-6060

About Golub Capital Incorporated

With \$800 million of capital available for investment, Golub Capital is one of the most active providers of subordinated debt, second lien debt, preferred stock, one-stop debt facilities and co-investment equity to middle market companies. The firm is committed to being a value-added and user-friendly partner to owners, senior management and transaction sponsors. With a broad investment mandate and long-term time horizon, Golub Capital has a high level of flexibility in structuring investments. The firm completed 21 investments in 2004 and 12 to date in 2005. Typical investments range from \$5 million to \$40 million, with additional capital available for future growth. Golub Capital maintains offices in Atlanta, Chicago and New York. For more information, please visit www.golubcapital.com.