

July 10, 2007

 GLADSTONE INVESTMENT

Gladstone Investment Announces Monthly Dividends for July, August, and September of \$0.075 per Common Share

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

Gladstone Investment Corp. (NASDAQ:GAIN) (the "Company") announced today that the Board of Directors declared dividends of \$0.075 per common share for each of the months of July, August, and September of 2007. Monthly dividends will be payable on July 31, 2007, August 31, 2007 and September 28, 2007 to shareholders of record for those dates on July 23, 2007, August 23, 2007, and September 20, 2007, respectively. The dividends equate to a quarterly dividend of \$0.225 and an annual dividend of \$0.90 at the current rate.

Gladstone Investment offers a Dividend Reinvestment Plan (DRIP). For more information regarding the DRIP, please visit our website at www.GladstoneInvestment.com.

Summary Table for common stock dividends for the Quarter Ending September 30, 2007:

Declared	X-Dividend	Record Date	Payment Date	Amount
July 10	July 19	July 23	July 31	\$0.075
July 10	August 21	August 23	August 31	\$0.075
July 10	September 18	September 20	September 28	\$0.075
Total for the Quarter Ending September 30, 2007: \$0.225				

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 through the Depository Trust Company's Legal Notice System (LENS) and send out to its registered shareholders a Section 19 notice along with the payment of dividends declared for the months of July, August, and September. This notice will not be for tax reporting purposes and will be provided only for informational purposes.

Gladstone Investment Corporation is an investment company that seeks to invest in subordinated loans, mezzanine debt, preferred stock and warrants to purchase common stock of small and medium-sized companies in connection with buyouts and other recapitalizations. Gladstone Investment also invests in senior and subordinated syndicated loans. For more information please visit our website at www.GladstoneInvestment.com.

For further information contact Investor Relations at 703-287-5835.

This press release may include statements that may constitute "forward-looking statements," 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 March 31, 2007, as filed with the Securities and Exchange Commission on May 31, 2007. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. 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 Investment Corp.