

Institutional Shareholder Services and Glass, Lewis & Co., LLC Recommend "For" Vote on All Proposals for Gladstone Investment Corporation's 2012 Annual Meeting of Stockholders

MCLEAN, Va., July 25, 2012 /PRNewswire/ -- [Gladstone Investment Corporation](http://www.gladstoneinvestment.com) (NASDAQ: GAIN) (the "Company") announced today that the industry's two leading independent proxy advisory firms -- Institutional Shareholder Services ("ISS") and Glass, Lewis & Co., LLC ("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/GLADSTONEINVESTMENT>)

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

- 1) Election of three directors, as outlined below:
 - a) Terry Brubaker and David A.R. Dullum, to be elected by the holders of our common stock and preferred stock, voting together as a single class; and
 - b) John Reilly, to be elected solely by the holders of our preferred stock, voting as a single class;
- 2) 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 (filed with the Securities and Exchange Commission ("SEC") on Schedule 14A, on June 22, 2012)); and
- 3) 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 March 31, 2013.

The Annual Meeting is scheduled for Thursday, August 9, 2012 at 11:00 a.m. EDT at the Hilton McLean Tysons Corner located at 7920 Jones Branch Drive, McLean, Virginia, 22102.

Election of Directors

Regarding the proposals in the Company's proxy statement for 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" all three directors.

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.

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 March 31, 2013, 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 June 27, 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 10013393. The webcast replay of the conference call will be available online through August 9, 2012, the date of the Annual Meeting, at www.gladstoneinvestment.com.

On June 22, 2012, the Company filed its definitive proxy statement (filed with the SEC on Schedule 14A, on June 22, 2012) 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.gladstoneinvestment.com.

Gladstone Investment Corporation is a publicly traded business development company that seeks to make debt and equity investments in small and mid-sized businesses in the United States in connection with acquisitions, changes in control and recapitalizations. The Company has paid 84 consecutive monthly cash distributions on its common stock in addition to a bonus dividend paid on its common stock in March 2012. 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.

SOURCE Gladstone Investment Corporation