

October 9, 2007



Gladstone Investment Announces an Increase in Its Monthly Dividend of 6.7% for October, November and December to \$0.08 per Common Share

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

Gladstone Investment Corp. (NASDAQ:GAIN) (the "Company") announced today that the Board of Directors declared dividends of \$0.08 per common share for each of the months of October, November and December of 2007. Monthly dividends will be payable as set in the table below. The dividends equate to a quarterly dividend of \$0.24 and an annual dividend of \$0.96 at the current rate. This is an increase in the monthly dividend of 6.7%.

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 December 31, 2007:

Declared	X-Dividend	Record Date	Payment Date	Amount
October 9	October 19	October 23	October 31	\$0.08
October 9	November 19	November 21	November 30	\$0.08
October 9	December 18	December 20	December 31	\$0.08
Total for the Quarter Ending December 31, 2007: \$0.24				

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 prospectus dated October 2, 2007, as filed with the Securities and Exchange Commission on October 2, 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 Corporation