

January 8, 2008

 GLADSTONE INVESTMENT

# INSERTING and REPLACING Gladstone Investment Announces Monthly Dividends For January, February and March of \$0.08 per Common Share

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

Insert after third graph of release: In order to comply with the requirements of Section 19(a) of the Investment Company Act of 1940, as amended, the Company will post a Section 19(a) notice through the Depository Trust Company's Legal Notice System (LENS) and send out to its registered shareholders a Section 19(a) notice along with the payment of dividends declared for any the months if applicable. This notice will not be for tax reporting purposes and will be provided only for informational purposes.

The corrected release reads:

## GLADSTONE INVESTMENT ANNOUNCES MONTHLY DIVIDENDS FOR JANUARY, FEBRUARY AND MARCH OF \$0.08 PER COMMON SHARE

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 January, February and March of 2008. Monthly dividends will be payable as set at 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.

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

Summary Table for Common Stock Dividends for the Quarter Ending March 31, 2008:

| Declared                                            | X-Dividend  | Record Date | Payment Date | Amount |
|-----------------------------------------------------|-------------|-------------|--------------|--------|
| January 8                                           | January 21  | January 23  | January 31   | \$0.08 |
| January 8                                           | February 19 | February 21 | February 29  | \$0.08 |
| January 8                                           | March 19    | March 21    | March 31     | \$0.08 |
| Total for the Quarter Ending March 31, 2008: \$0.24 |             |             |              |        |

The portfolio has expanded from approximately \$338 million at September 30, 2007 to approximately \$352 million at December 31, 2007, which includes appreciation of approximately 1/2 of 1% from September 30, 2007 to December 31, 2007. Also, we do not have any investments in sub-prime home mortgages or the housing industry.

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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](http://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 Corp.