

December 3, 2014

 GLADSTONE INVESTMENT

Gladstone Investment Corporation Announces Exercise of Over-Allotment Option on Term Preferred Stock

MCLEAN, Va., Dec. 3, 2014 (GLOBE NEWSWIRE) -- Gladstone Investment Corporation (Nasdaq:GAIN) (the "Company") today announced that, in connection with its 6.75% Series B Cumulative Term Preferred Stock due 2021 (Nasdaq:GAINO) (the "Series B Term Preferred Stock") offering completed on November 5, 2014, the underwriters of the offering fully exercised and closed on their over-allotment option to purchase an additional 216,000 shares of Series B Term Preferred Stock from the Company. The Company received approximately \$5.2 million in additional net proceeds from the sale of these shares, after deducting the underwriting discount. Janney Montgomery Scott LLC served as the sole book-running manager. Sterne, Agee & Leach, Inc. served as the lead manager, while BB&T Capital Markets, a division of BB&T Securities, LLC, J.J.B. Hilliard, W.L. Lyons, LLC, Wunderlich Securities, Inc., and Ladenburg Thalmann & Co. Inc. served as co-managers for the offering.

The Company intends to use the net proceeds from this offering to repay borrowings under its outstanding credit facility.

Investors are advised to carefully consider the investment objectives, risks and charges and expenses of the Company before investing. A prospectus supplement dated November 5, 2014 and the accompanying prospectus, dated September 4, 2014, which have been filed with the Securities and Exchange Commission, contain this and other information about the Company and should be read carefully before investing.

The offering was conducted as a public offering under the Company's effective shelf registration filed with the Securities and Exchange Commission (File No. 333-181879). **To obtain a copy of the prospectus supplement for this offering and the accompanying prospectus, please contact: Janney Montgomery Scott LLC, 1717 Arch Street, Philadelphia, PA 19103, Attention: Taxable Fixed Income Department or prospectus@janney.com.**

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

About Gladstone Investment Corporation: Gladstone Investment Corporation is a publicly traded business development company that seeks to make debt and equity investments in small and medium-sized businesses in the United States in connection with acquisitions, changes in control and recapitalizations. The Company has paid 113 consecutive monthly cash distributions on its common stock. Information on the business activities of all the Gladstone funds can be found at www.gladstonecompanies.com.

CONTACT: For further information contact
Investor Relations at (703) 287-5893.

Source: Gladstone Investment Corporation