

May 13, 2015

 GLADSTONE INVESTMENT

Gladstone Investment Corporation Announces Closing of Offering of 1,610,000 Shares of Its 6.50% Series C Cumulative Term Preferred Stock for Gross Proceeds of Approximately \$40.3 Million

MCLEAN, Va., May 13, 2015 (GLOBE NEWSWIRE) -- Gladstone Investment Corporation (Nasdaq:GAIN) (the "Company") today announced that on May 12, 2015 it closed its previously announced offering of 1,400,000 shares of its newly-issued 6.50% Series C Cumulative Term Preferred Stock Due 2022 (the "Series C Term Preferred Shares") at a public offering price of \$25.00 per share. Simultaneously with the closing of the offering, the underwriters exercised in full their option to purchase an additional 210,000 Series C Term Preferred Shares on the same terms to cover over-allotments, resulting in a total issuance of 1,610,000 shares for gross proceeds of approximately \$40.3 million and net proceeds of approximately \$38.6 million, after payment of underwriting discounts and commissions and estimated offering expenses.

The Series C Term Preferred Shares began trading on the NASDAQ Global Select Market on May 13, 2015 under the symbol "GAINN." The Series C Term Preferred Shares are mandatorily redeemable in May 2022 at \$25.00 per share. Janney Montgomery Scott LLC served as the sole book-running manager for the offering. J.J.B. Hilliard, W.L. Lyons, LLC, Wunderlich Securities, Inc., William Blair & Company, L.L.C. and Ladenburg Thalmann & Co. Inc., a subsidiary of Ladenburg Thalmann Financial Services Inc. (NYSE MKT:LTS), served as co-lead managers of the offering. Maxim Group LLC served as co-manager of the offering.

The Company intends to use the net proceeds from this offering to repay borrowings under its existing credit facility, to fund investments in accordance with its investment strategy and for other general corporate purposes. This offering was made pursuant to the Company's existing shelf registration statement, previously filed with the Securities and Exchange Commission ("SEC"). The final prospectus supplement related to the offering dated May 6, 2015 is available on the SEC website at www.sec.gov or by contacting 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 118 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: Investor Relations Inquiries: Please call +1-703-287-5893

Source: Gladstone Investment Corporation