January 9, 2007

GLADSTONE INVESTMENT

Gladstone Investment Announces Monthly Dividends for January, February and March of $0.075 per Common Share

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

Gladstone Investment Corp. (Nasdaq:GAIN) (the "Company") announced today that the Board of Directors declared dividends of $0.075 per common share for each of the months of January, February and March of 2007. Monthly dividends will be payable on January 31, 2007, February 28, 2007 and March 30, 2007 to shareholders of record for those dates on January 23, 2007, February 20, 2007 and March 22, 2007, respectively. The dividends equate to a quarterly dividend of $0.225.

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 March 31, 2007:

Declared	X-Dividend	Record Date	Payment Date	Amount
January 9	January 19	January 23	January 31	$0.075
January 9	February 16	February 20	February 28	$0.075
January 9	March 20	March 22	March 30	$0.075
Total for the Quarter Ending March 31, 2007:				$0.225

In order to comply with the requirements of Section 19 of the Investment Company Act of 1940, as amended, the Company will post a Section 19 notice to the "Important Notices" section of the DTC website (www.dtc.org) and will send out to its registered shareholders a Section 19 notice along with the payment of dividends declared for the months of January, February and March. This notice will not be for tax purposes and will be provided only for informational purposes.

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" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements with regard to the future performance of the Company. Words such as "believes," "expects," "anticipates," "estimated," "approximately" "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" of the Company's Form 10-K dated March 31, 2006, as filed with the Securities and Exchange Commission on June 13, 2006, and in the Company's Form 10-Q dated September 30, 2006, as filed with the Securities and Exchange Commission on November 1, 2006. 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.