

July 1, 2008

 GLADSTONE INVESTMENT

Gladstone Investment Announces Proxy Conference Call Script Filing and Urges Stockholders to Vote Their Shares

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

Gladstone Investment Corp. (NASDAQ:GAIN) (the "Company") held its previously announced conference call today to discuss the matters scheduled for a vote at the Company's 2008 annual stockholders meeting (the "Annual Meeting"). Stockholders who were not able to listen to the call this morning can access the replay by calling (877) 660-6853 and using access code 286 and ID code 289000. The webcast replay of the conference call will be available online through Wednesday, October 1, 2008 at www.GladstoneInvestment.com and www.investorcalendar.com.

The script for the call was also filed today with the U.S. Securities and Exchange Commission (the "SEC"), and is available at the Company's website, www.GladstoneInvestment.com, or the SEC's website at www.sec.gov.

The following matters scheduled for a vote at the Annual Meeting, which are further described in the Company's proxy statement mailed to stockholders and filed with the SEC on June 20, 2008 (the "Proxy Statement"), were discussed on the conference call today:

- 1) The election of four directors to hold office until the 2011 annual meeting;
- 2) The approval of a proposal to authorize the Company to offer and issue long-term rights, including warrants, to purchase shares of its common stock at an exercise price per share that will not be less than the greater of the market value or net asset value of its common stock at the time the rights are issued;
- 3) The approval of a proposal to authorize the Company to sell shares of its common stock at a price below its then current net asset value per share; and
- 4) The ratification of the selection by the audit committee of the board of directors of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for its fiscal year ending March 31, 2009.

The Proxy Statement describes these proposals in detail and should be reviewed carefully by stockholders before voting. The Proxy Statement is also available at www.GladstoneInvestment.com or www.sec.gov.

Voting Your Shares

The Company urges all stockholders who have not yet voted their shares to do so as soon as possible.

-- Stockholders may vote by mailing in the proxy card

accompanying their Proxy Statement.

- Stockholders may also cast their votes on the internet at www.proxyvote.com as long as they know their proxy control number on the proxy card.
- Stockholders who wish to vote by phone may call the Company's proxy solicitor, Georgeson Inc., ("Georgeson") at (866) 391-7007 to vote by phone, or to receive instructions on voting by phone.

Please note that voting by phone or internet may require that you have your proxy control number available. This number is printed on the proxy card accompanying the Proxy Statement. Stockholders with questions on how to vote are strongly encouraged to contact Georgeson at the number above, or the Company at 1-866-366-5745.

Stockholders also may vote by attending the Annual Meeting in person on August 7, 2008 at 11:00am at the Hilton McLean Tysons Corner in McLean, VA. If you are unable to attend, please vote your shares of stock using one of the methods described above.

Gladstone Investment Corporation is a publicly traded business development company that purchases small and mid-sized businesses. Additional information can be found at www.GladstoneInvestment.com.

For further information contact Kerry Finnegan at 703-287-5893.

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 "should," "believes," "feel," "expects," "projects," "strive," "goals," 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 Annual Report on Form 10-K for the year ended March 31, 2008, as filed with the SEC on May 21, 2008. 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