

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 29, 2013

**Gladstone Investment Corporation**  
(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**814-00704**  
(Commission  
File Number)

**83-0423116**  
(IRS Employer  
Identification No.)

**1521 Westbranch Drive, Suite 200**  
**McLean, Virginia**  
(Address of Principal Executive Offices)

**22102**  
(Zip Code)

Registrant's telephone number, including area code: **(703) 287-5800**

\_\_\_\_\_  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

On July 29, 2013, Gladstone Investment Corporation issued a press release announcing its financial results for the quarter ended June 30, 2013. The text of the press release is included as an exhibit to this Current Report on Form 8-K. The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by Gladstone Investment Corporation, dated July 29, 2013.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Gladstone Investment Corporation (Registrant)

July 29, 2013

By: /s/ David Watson  
(David Watson, Chief Financial Officer and Treasurer)

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**EXHIBIT INDEX**

**Exhibit No.**

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**Description**

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99.1

Press Release issued by Gladstone Investment Corporation, dated July 29, 2013.

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**Gladstone Investment Corporation Reports Financial Results for the First Quarter Ended June 30, 2013**

MCLEAN, Va., July 29, 2013 /PRNewswire/ -- Gladstone Investment Corporation (NASDAQ: GAIN) (the "Company") today announced earnings for its first quarter ended June 30, 2013. Please read the Company's Form 10-Q filed today with the U.S. Securities and Exchange Commission (the "SEC"), which can be retrieved from the SEC's website at [www.sec.gov](http://www.sec.gov) or from the Company's website at [www.gladstoneinvestment.com](http://www.gladstoneinvestment.com).

(Logo: <http://photos.prnewswire.com/prnh/20101005/GLADSTONEINVESTMENT>)

**Summary Information:** (dollars in thousands, except per share data) :

	June 30, 2013	March 31, 2013	Change	% Change
<b>For the Quarter Ended:</b>				
Total investment income	\$ 7,398	\$ 10,476	\$ (3,078)	(29.4)%
Total expenses	<u>(3,365)</u>	<u>(4,629)</u>	<u>1,264</u>	<u>(27.3)</u>
Net investment income	4,033	5,847	(1,814)	(31.0)
Net investment income per common share	0.15	0.22	(0.07)	(30.8)
Cash distribution per common share	0.15	0.15	—	—
Total realized loss	—	(6)	6	NM
Total unrealized (depreciation) appreciation	(10,522)	10,107	(20,659)	NM
Net (decrease) increase in net assets resulting from operations	(6,519)	15,948	(22,467)	NM
Weighted average yield on interest-bearing investments	12.5%	12.4%	0.1%	0.9
Total dollars invested	\$ 35,590	\$ 2,863	\$ 32,727	1,143.1
Total dollars repaid	2,340	4,105	(1,765)	(43.0)

**As of:**

Total investments at fair value	\$ 308,327	\$ 286,482	\$ 21,845	7.6%
Fair value as a percent of cost	85.7%	87.8%	(2.1)%	(2.4)
Total net assets	\$ 230,472	\$ 240,963	\$ (10,491)	(4.4)
Net asset value per common share	8.70	9.10	(0.40)	(4.4)
Asset coverage ratio	283%	272%	11%	4.0
Number of portfolio companies	24	21	3	14.3

*NM=Not Meaningful*

**Highlights for the Quarter:** During the quarter ended June 30, 2013, the following significant events occurred:

- **Portfolio Activity:** The Company invested an aggregate of \$34.6 million in new debt and equity investments to Jackrabbit, Inc., Funko, LLC (a co-investment with one of our affiliated funds, Gladstone Capital Corporation, pursuant to an exemptive order granted by the SEC) and Star Seed, Inc. Additionally, the Company extended \$1.0 million to an existing portfolio company and received an aggregate of \$2.3 million in scheduled and unscheduled principal repayments from existing portfolio companies.
- **Credit Facility Extension and Expansion :** The Company extended its Credit Facility's maturity date approximately six months to April 30, 2016 and increased the size of the Credit Facility from \$60.0 million to \$105.0 million with the addition of two additional lenders.
- **Recurring Distributions:** The Company paid monthly cash distributions for each of April, May and June 2013 to common stockholders of \$0.05 per common share and to preferred stockholders of \$0.1484375 per preferred share of the Company's 7.125% Series A Cumulative Term Preferred Stock ("Term Preferred Stock").

**First Quarter 2014 Results :** Net Investment Income for the quarters ended June 30, 2013 and March 31, 2013 was \$4.0 million, or \$0.15 per share, and \$5.9 million, or \$0.22 per share, respectively, a decrease of 31.0%. The decrease in Net Investment Income for the quarter ended June 30, 2013, as compared to the prior quarter, was primarily due to the conversion of \$8.2 million of Galaxy Tool Holdings Corp. preferred stock and its related \$4.1 million in accrued dividends into a new \$12.3 million senior subordinated debt investment through a non-cash transaction recognizing \$4.1 million in dividend income related to the recapitalization in the prior quarter. This was partially offset by a decrease in the incentive fee expense by \$2.4 million when compared to the prior quarter.

Net (Decrease) Increase in Net Assets Resulting from Operations for the quarters ended June 30, 2013 and March 31, 2013 was \$(6.5) million, or \$(0.25) per share, and \$15.9 million, or \$0.60 per share, respectively. The quarter over quarter change is primarily due to net unrealized depreciation in the quarter ended June 30, 2013, as compared to net unrealized appreciation in the prior quarter and a decrease in Net Investment Income as described above.

**Subsequent Events:** After June 30, 2013, the following events occurred:

- **Distributions Declared:** Declared the following monthly cash distributions to stockholders:

Record Date	Payment Date	Distribution per Common Share	Distribution per Term Preferred Share
July 19, 2013	July 31, 2013	\$ 0.05	\$ 0.1484375
August 21, 2013	August 30, 2013	0.05	0.1484375
September 18, 2013	September 30, 2013	0.05	0.1484375
<b>Total for the Quarter</b>		<b>\$ 0.15</b>	<b>\$ 0.4453125</b>

**Conference Call for Stockholders:** The Company will hold its earnings release conference call Wednesday, July 30, 2013, at 8:30 a.m. EDT. Please call (800) 860-2442 to enter the conference. An operator will monitor the call and set a queue for any questions. A replay of the conference call will be available through August 30, 2013. To hear the replay, please dial (877) 344-7529 and use conference number 10028879. The replay will be available beginning approximately one hour after the call concludes. The live audio broadcast of the Company's quarterly conference call will also be available online at [www.gladstoneinvestment.com](http://www.gladstoneinvestment.com). The event will be archived and available for replay on the Company's website through September 30, 2013.

**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 97 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](http://www.gladstonecompanies.com).

The Company undertakes no obligation to update the information contained herein to reflect subsequently occurring events or circumstances, except as required by applicable securities laws and regulations. For a description of certain risks to which the Company is or may be subject, please refer to the factors discussed under the captions "Cautionary Statement Concerning Forward Looking Statements" and "Risk Factors" included in the Company's filings with the SEC (accessible at [www.sec.gov](http://www.sec.gov)).

To obtain a paper copy of the Form 10-Q filed today with the SEC, please contact the Company at 1521 Westbranch Drive, Suite 200, McLean, VA 22102, ATTN: Investor Relations. The financial information above is not comprehensive and is without notes, so readers should obtain and carefully review the Company's Form 10-Q for the quarter ended June 30, 2013, including the notes to the consolidated financial statements contained therein.

CONTACT: Investor Relations Inquiries: Please visit [www.gladstone.com](http://www.gladstone.com) or +1-703-287-5893