

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) February 8, 2006

Gladstone Investment Corporation  
(Exact name of registrant as specified in its chapter)

Delaware (State or other jurisdiction of incorporation)	000-51233 (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

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))

Item 2.02 Results of Operations and Financial Condition.

On February 8, 2006, Gladstone Investment Corporation issued a press release announcing its financial results for three months ending December 31, 2005. The text of the press release is included as an exhibit to this Form 8-K. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein and herein are deemed to be furnished and shall not be deemed to be filed.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable
- (d) Exhibits

Exhibit No. -----	Description -----
99.1	Press release dated February 8, 2006

SIGNATURES

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)

February 8, 2006

By: /s/ Harry Brill

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(Harry Brill, Chief Financial  
Officer)

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press release dated February 8, 2006

Gladstone Investment Corporation Reports  
 Financial Results for the Three Months Ended December 31, 2005

MCLEAN, Va.--(BUSINESS WIRE)--Feb. 8, 2006--Gladstone Investment Corp. (NASDAQ:GAIN):

- Net Investment Income was \$1.75 million or \$0.11 per common share
- Net Increase in Net Assets From Operations was \$1.61 million or \$0.10 per common share

Gladstone Investment Corp. (NASDAQ:GAIN) (the "Company") today announced earnings for the three months ended December 31, 2005 and for the period June 22, 2005 (commencement of operations) to December 31, 2005. All per share references are per basic and diluted weighted average common share outstanding, unless otherwise noted.

Net Investment Income for the quarter ended December 31, 2005 was \$1,752,570 or \$0.11 per share and was \$3,185,276 or \$0.20 per share for the period of June 22, 2005 (commencement of operations) to December 31, 2005.

Net Increase in Net Assets Resulting from Operations for the three months ended December 31, 2005 was \$1,614,747 or \$0.10 per share. The Net Increase in Net Assets Resulting from Operations for the period June 22, 2005 (commencement of operations) to December 31, 2005 was \$3,111,279 or \$0.19 per share.

The Company also recorded net unrealized depreciation on its investments of \$175,879 for the three months ended December 31, 2005 and \$112,053 for the period June 22, 2005 (commencement of operations) to December 31, 2005.

Total assets were \$230,956,388 at December 31, 2005, as compared to \$51,500 at March 31, 2005. Net asset value was \$230,376,300 or \$13.91 per actual common share outstanding at December 31, 2005 as compared to \$15.00 per actual common share outstanding at March 31, 2005.

The weighted average yield on our portfolio of investments, excluding cash and cash equivalents, was 6.42% for both the three months ended December 31, 2005 and for the period from June 22, 2005 (commencement of operations) to December 31, 2005.

During the three months ended December 31, 2005 the Company recorded the following activity:

- Recorded new loans of approximately \$23.4 million with 7 portfolio investments;
- Received principal repayments of \$3.0 million; and
- Recognized gains of \$38 thousand on the sale of three loan participations.

At December 31, 2005, the Company had investments in debt securities in twelve private companies having an aggregate cost balance of approximately \$60.8 million and a fair value of approximately \$60.7 million.

"During the quarter we were able to invest in \$23.4 million of new portfolio investments. Subsequent to quarter end, we closed on our first equity investment and are working actively on several additional investments that we anticipate will build a solid portfolio for the long-term," said Chip Stelljes, President and Chief Investment Officer.

Subsequent to December 31, 2005, the Company:

- Contributed a \$2.5 million investment in our wholly-owned subsidiary that utilized the funds to acquire a 95% equity interest in a school bus dealership. The equity interest was valued at \$4.2 million, by which our wholly-owned subsidiary financed the remaining \$1.7 million; and made a loan for \$4 million to the same dealership for a total investment of \$6.5 million;
- Purchased an additional \$4.8 million of loan participations with two portfolio companies;
- Purchased loan participations of \$18.9 million in six companies;
- Sold one loan participation for \$1.0 million; and
- The Board of Directors declared its monthly cash dividends of \$0.07 per common share for each of the months of January,

February and March of 2006.

Results reported today for investment income and operating expenses are not expected to be indicative of future operating performance. In particular, the Company expects investment income to increase in future periods, as compared to the three months ended December 31, 2005 and the period June 22, 2005 (commencement of operations) to December 31, 2005, as a result of the investment of the net proceeds from the initial public offering and as investments are made in portfolio company securities that the Company expects will yield a greater return than the cash and cash equivalents in which the vast majority of the net proceeds of the Company's initial public offering are currently invested.

The Company will hold a conference call Thursday, February 9, 2006 at 9:30 am EDT to discuss third quarter earnings. Please call (877) 407-8031 to enter the conference. An operator will monitor the call and set a queue for the questions. A replay of the conference call will be available through March 9, 2006. To hear the replay, please dial (877) 660-6853, access playback account 286 and use ID code 190142.

The live audio broadcast of Gladstone Investment's quarterly conference call will be available online at [www.GladstoneInvestment.com](http://www.GladstoneInvestment.com) and [www.investorcalendar.com](http://www.investorcalendar.com). The online replay will follow shortly after the call.

Gladstone Investment Corporation is an investment company that seeks to make debt and equity investments in small and mid-sized private businesses in the U.S. in connection with acquisitions, changes in control and recapitalizations. For more information please visit our website at <http://www.GladstoneInvestment.com>.

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" "projects" 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 prospectus dated June 22, 2005, as filed with the Securities and Exchange Commission on June 23, 2005. 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.

GLADSTONE INVESTMENT CORPORATION  
STATEMENT OF OPERATIONS  
(UNAUDITED)

	For the three months ended December 31, 2005	For the period June 22, 2005 (Commencement of Operations) to December 31, 2005
INVESTMENT INCOME		
Interest income - investments	\$ 790,879	\$ 984,457
Interest income - cash and cash equivalents	1,530,809	3,192,019
Total investment income	2,321,688	4,176,476

EXPENSES

Administration fee to Gladstone		
Administration	73,424	178,469
Base management fee to Gladstone		
Management	265,522	357,630
Directors fees	51,000	103,000
Insurance	69,552	112,030
Organizational costs	-	7,002
Professional fees	69,570	135,872
Stockholder related costs	24,363	67,901
Interest	-	378

General and administrative	15,687	28,918
Total expenses	569,118	991,200
NET INVESTMENT INCOME	1,752,570	3,185,276
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Realized gain on sale of investment	38,056	38,056
Net unrealized depreciation of investment portfolio	(175,879)	(112,053)
Net loss on investments	(137,823)	(73,997)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 1,614,747	\$ 3,111,279
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER COMMON SHARE:		
Basic and Diluted	\$ 0.10	\$ 0.19
SHARES OF COMMON STOCK OUTSTANDING:		
Basic and diluted weighted average shares	16,560,100	16,312,600

GLADSTONE INVESTMENT CORPORATION  
STATEMENT OF ASSETS AND LIABILITIES  
(UNAUDITED)

	December 31, 2005	March 31, 2005
	-----	-----
ASSETS		
Cash	\$ 16,218,450	\$ 3,636
Investments at fair value (Cost 12/31/2005: \$60,823,059)	60,711,006	-
Cash equivalents	153,128,873	-
Interest receivable	317,233	-
Prepaid insurance	172,485	-
Prepaid directors fees	42,000	-
Deferred offering costs	-	47,864
Other assets	366,341	-
TOTAL ASSETS	\$230,956,388	\$ 51,500
	=====	=====
LIABILITIES		
Accounts payable	\$ 2,207	\$ -
Administration fee payable to Gladstone Administration	73,424	-
Base management fee payable to Gladstone Management	192,787	-
Loan payable to affiliate	-	50,000
Accrued expenses	311,670	-
Total Liabilities	580,088	50,000
NET ASSETS	\$230,376,300	\$ 1,500
	=====	=====
ANALYSIS OF NET ASSETS:		
Common stock, \$0.001 par value, 100,000,000 shares authorized and 16,560,100 and 100 shares issued and outstanding, respectively	\$ 16,560	\$ -
Capital in excess of par value	230,229,279	1,500
Net unrealized depreciation of investment portfolio	(112,053)	-
Undistributed net investment income	242,514	-
Total Net Assets	\$230,376,300	\$ 1,500
	=====	=====
Net assets per share	\$ 13.91	\$ 15.00
	=====	=====

GLADSTONE INVESTMENT CORPORATION  
FINANCIAL HIGHLIGHTS  
(UNAUDITED)

	For the three months ended December 31, 2005	For the period June 22, 2005 (Commencement of Operations) to December 31, 2005
Per Share Data (1)		
Balance at beginning of period	\$ 13.93	\$ -
Net proceeds from initial public offering (2)	-	13.95
Offering costs	-	(0.05)
Income from investment operations:		
Net investment income (3)	0.11	0.20
Realized gain on sale of investments (3)	0.00	0.00
Net unrealized depreciation of investments (3)	(0.01)	(0.01)
Total from investment operations	0.10	0.19
Distributions	(0.12)	(0.18)
Net asset value at end of period	\$ 13.91	\$ 13.91

Per share market value at beginning of period	\$ 15.05	\$ 15.00
Per share market value at end of period	13.59	13.59
Total Return (4) (5)	-6.63%	-8.25%
Shares outstanding at end of period	16,560,100	16,560,100

Ratios/Supplemental Data

Net assets at end of period	\$ 230,376,300	\$ 230,376,300
Average net assets (6)	\$ 229,896,936	\$ 225,793,817
Ratio of expenses to average net assets-annualized	0.99%	0.75%
Ratio of net investment income to average net assets-annualized	3.05%	2.42%

(1) Based on actual shares outstanding.

(2) Net of initial underwriting discount of \$1.05 per share.

(3) Based on weighted average basic per share data.

(4) Total return equals the change in the market value of our common stock from the beginning of the period taking into account dividends reinvested in accordance with the terms of our dividend reinvestment plan.

(5) Amounts are not annualized.

(6) Average net assets calculated from October 1, 2005 and June 22, 2005 (commencement of operations), respectively to December 31, 2005.

CONTACT: Gladstone Investment Corp.  
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