

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) August 2, 2006

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

Delaware (State or other jurisdiction of incorporation)	000-51233 (Commission File Number)	83-0423116 (IRS Employer Identification No.)
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1521 Westbranch Drive, Suite 200 McLean, Virginia (Address of principal executive offices)	22102 (Zip Code)
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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 August 2, 2006, Gladstone Investment Corporation issued a press release announcing its financial results for three months ending June 30, 2006. 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 August 2, 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.

August 2, 2006

Gladstone Investment Corporation
(Registrant)
By: /s/ Harry Brill

(Harry Brill, Chief Financial Officer)

EXHIBIT INDEX

Exhibit No.
- -----

Description

99.1

Press release dated August 2, 2006

Gladstone Investment Reports Financial Results for the First Quarter Ended June 30, 2006

MCLEAN, Va.--(BUSINESS WIRE)--Aug. 2, 2006--Gladstone Investment Corp. (NASDAQ:GAIN):

- Net Investment Income was \$2.6 million or \$0.16 per common share
- Net Increase in Net Assets From Operations was \$1.3 million or \$0.08 per common share

Gladstone Investment Corp. (NASDAQ:GAIN) (the "Company") today announced earnings for the first quarter ended June 30, 2006. All per share references are per basic and diluted weighted average common share outstanding, unless otherwise noted.

Net Investment Income for the first quarter ended June 30, 2006 was \$2,581,164 or \$0.16 per share as compared \$19,800 or \$0.00 for the period June 22, 2005 (commencement of operations) to June 30, 2005.

Net Increase in Net Assets Resulting from Operations for the first quarter ended June 30, 2006 was \$1,277,048 or \$0.08 per share as compared \$19,800 or \$0.00 for the period June 22, 2005 (commencement of operations) to June 30, 2005.

Total assets were \$228,699,044 at June 30, 2006 as compared to \$230,323,807 or on March 31, 2006. Net asset value was \$13.75 per actual common share outstanding at June 30, 2006 as compared to \$13.88 per actual common share at March 31, 2006.

The weighted average yield on our portfolio of investments, excluding cash and cash equivalents, was 8.77% for the first quarter ended June 30, 2006.

During the first quarter ended June 30, 2006 the Company recorded the following activity:

- Acquired interests in eight new syndicated loans for approximately \$30 million;
- Sold three syndicated loans for approximately \$15.5 million;
- Recorded net unrealized depreciation on its investments of approximately \$1.3 million; and
- Recognized an aggregate of \$3,273 of realized gains related to the sale of four loan participations.

At June 30, 2006, the Company held 24 non-control/non-affiliate investments, three control investments and cash investments, totaling an aggregate cost basis of \$210 million and fair value of nearly \$209 million.

Condensed Schedule of Investments
June 30, 2006

Investment Type	Cost	Fair Value
Total Non-Control/Non-Affiliate Investments	114,228,222	113,251,478
Total Control Investments	56,246,318	56,028,640
Total cash equivalents	39,558,107	39,558,107
Total investments and cash equivalents	\$210,032,647	\$208,838,225

"Since the inception of our fund on June 22, 2005, we have invested over \$170 million, bringing our total portfolio investments to 80% at quarter end. We are reviewing many buyout opportunities and anticipate reporting additional buyout activity for the second quarter," said Chip Stelljes, President and Chief Investment Officer.

Subsequent to June 30, 2006, the Company:

- Purchased additional loan participations of two portfolio companies of approximately \$0.5 million;
- Purchased two new loan participations of approximately \$5.0 million;
- Sold one loan participation for \$1.0 million; and
- Declared monthly cash dividends of \$0.07 per common share for each of the months of July, August and September of 2006.

The Company will hold a conference call Thursday, August 3, 2006 at 9:30 am EDT to discuss first quarter earnings. Please call (877) 407-0782 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 September 3,

2006. To hear the replay, please dial (877) 660-6853, access playback account 286 and use ID code 210002. The online replay will be available approximately two hours after the call concludes.

The live audio broadcast of Gladstone Investment's quarterly conference call will be available online at www.GladstoneInvestment.com and 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>.

For further information contact our Investor Relations Manager, Kelly Sargent 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" "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 Form 10-K dated March 31, 2006, as filed with the Securities and Exchange Commission on June 14, 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.

GLADSTONE INVESTMENT CORPORATION
STATEMENT OF OPERATIONS
(UNAUDITED)

	For the three months ended June 30, 2006	For the period June 22, 2005 (Commencement of Operations) to June 30, 2005
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INVESTMENT INCOME		
Interest income		
Non-Control/Non-Affiliate investments	\$ 1,964,480	\$ -
Control investments	1,190,302	-
Cash and cash equivalents	708,340	48,198
	-----	-----
Total interest income	3,863,122	48,198
Other income	316	-
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Total investment income	3,863,438	48,198
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EXPENSES		
Administration fee	115,389	27,083
Base management fee	801,309	-
Directors fees	43,250	-
Insurance expense	72,611	-
Professional fees	79,748	-
Stockholder related costs	93,766	635
Interest expense	-	378
Taxes and licenses	57,107	-
Other expenses	19,094	302
	-----	-----
Total expenses	1,282,274	28,398
	-----	-----
NET INVESTMENT INCOME	2,581,164	19,800
	-----	-----
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Realized gain on sale of Non- Control/Non-Affiliate investments	3,273	-
Net unrealized depreciation of investment portfolio	(1,307,389)	-
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Net loss on investments	(1,304,116)	-
	-----	-----

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$	1,277,048	\$	19,800
		=====		=====

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER COMMON SHARE: Basic and Diluted	\$	0.08	\$	0.00
		=====		=====

SHARES OF COMMON STOCK OUTSTANDING: Basic and diluted weighted average shares		16,560,100		14,400,100
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GLADSTONE INVESTMENT CORPORATION
STATEMENT OF ASSETS AND LIABILITIES
(UNAUDITED)

	June 30, 2006	March 31, 2006
	-----	-----
ASSETS		
Non-Control/Non-Affiliate investments (Cost 6/30/06: \$114,228,222; 3/31/06: \$97,423,004)	\$113,251,478	\$ 97,585,972
Control investments (Cost 6/30/06: \$56,246,318; 3/31/06: \$55,846,318)	56,028,640	55,796,318
	-----	-----
Total investments at fair value (Cost 6/30/06: \$170,474,540; 3/31/06: \$153,269,322)	169,280,118	153,382,290
Cash and cash equivalents	58,283,609	75,672,605
Interest receivable	911,817	761,388
Prepaid directors fees	108,750	-
Prepaid insurance	27,262	99,874
Due from Adviser	-	234,551
Other assets	87,488	173,099
	-----	-----
TOTAL ASSETS	\$228,699,044	\$230,323,807
	=====	=====

LIABILITIES		
Accounts payable	\$ 11,583	\$ -
Administration fee payable to Gladstone Administration	115,389	110,002
Base management fee payable to Gladstone Management	801,309	-
Accrued expenses	124,876	367,031
Other liabilities	4,763	5,077
	-----	-----
Total Liabilities	1,057,920	482,110
	-----	-----
NET ASSETS	\$227,641,124	\$229,841,697
	=====	=====

ANALYSIS OF NET ASSETS:		
Common stock, \$0.001 par value, 100,000,000 shares authorized and 16,560,100 issued and outstanding, respectively	\$ 16,560	\$ 16,560
Capital in excess of par value	230,229,279	230,229,279
Net unrealized (depreciation) appreciation of investment portfolio	(1,194,421)	112,968
Distributions in excess of net investment income	(1,410,294)	(517,110)
	-----	-----
Total Net Assets	\$227,641,124	\$229,841,697
	=====	=====
Net assets per share	\$ 13.75	\$ 13.88
	=====	=====

GLADSTONE INVESTMENT CORPORATION
FINANCIAL HIGHLIGHTS
(UNAUDITED)

	For the period June 22, 2005
For the three months ended June 30, 2006	(Commencement of Operations) to June 30, 2005

Per Share Data (1)

Balance at beginning of period	\$	13.88	\$	-
Net proceeds from initial public offering (2)		-		13.95

Offering costs		-		(0.05)
Income from investment operations:				
Net investment income (3)		0.16		-
Realized gain on sale of investments (3)		0.00		-
Net unrealized appreciation of investments (3)		(0.08)		-

Total from investment operations		0.08		-

Distributions		(0.21)		-

Net asset value at end of period	\$	13.75	\$	13.90
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Per share market value at beginning of period	\$	14.90	\$	15.00
Per share market value at end of period		15.00		15.05
Total Return (4)		2.13%		0.33%
Shares outstanding at end of period		16,560,100		14,400,100

Ratios/Supplemental Data

Net assets at end of period	\$	227,641,124	\$	200,137,980
Average net assets (5)	\$	227,718,666	\$	200,137,980
Ratio of expenses to average net assets (annualized)		2.25%		0.06%
Ratio of net investment income to average net assets (annualized)		4.53%		0.04%

- (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 the Company's common stock from the beginning of the period taking into account dividends reinvested in accordance with the terms of our dividend reinvestment plan.
- (5) Calculated using the average of the ending monthly net assets for the respective periods.

CONTACT: Gladstone Investment Corp.
 Kelly Sargent, 703-287-5835