

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) November 1, 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 November 1, 2006, Gladstone Investment Corporation issued a press release announcing its financial results for quarter ending September 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 November 1, 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)

November 1, 2006

By: /s/ Harry Brill

(Harry Brill, Chief Financial Officer)

EXHIBIT INDEX

Exhibit No. - - - - -	Description - - - - -
99.1	Press release dated November 1, 2006

Gladstone Investment Reports Results for the Second Quarter ended September 30, 2006

- Net Investment Income was \$2.9 million or \$0.17 per common share
- Net Increase in Net Assets From Operations was \$2.8 million or \$0.17 per common share

MCLEAN, Va.--(BUSINESS WIRE)--Nov. 1, 2006--Gladstone Investment Corp. (NASDAQ:GAIN) (the "Company") today announced earnings for the second quarter ended September 30, 2006. All per share references are per basic and diluted weighted average common share outstanding, unless otherwise noted.

Net Investment Income for the second quarter ended September 30, 2006 was \$2,883,886 or \$0.17 per share, as compared to \$1,412,906 or \$0.09 per share for the second quarter ended September 30, 2005. Net Investment Income for the six months ended September 30, 2006 was \$5,465,050 or \$0.33 per share, as compared to \$1,432,706 or \$0.09 per share for the period June 22, 2005 (commencement of operations) to September 30, 2005.

Net Increase in Net Assets Resulting from Operations for the second quarter ended September 30, 2006 was \$2,848,044, or \$0.17 per share, as compared to \$1,476,732 or \$0.09 per share for the same period a year ago. Net Increase in Net Assets Resulting from Operations for the six months ended September 30, 2006 was \$4,125,092, or \$0.25 per share compared to \$1,496,532 or \$0.09 per share for the period June 22, 2005 (commencement of operations) to September 30, 2005.

Total assets were \$228,136,147 at September 30, 2006 as compared to \$230,323,807 at March 31, 2006. Net asset value was \$13.71 per actual common share outstanding at September 30, 2006 as compared to \$13.88 per actual common share at March 31, 2006.

The annualized weighted average yield on the Company's portfolio for the three months ended September 30, 2006 was 8.72%. The annualized weighted average yield on the Company's portfolio for the three months ended September 30, 2005 was 6.38%. The annualized weighted average yield on the Company's portfolio for the six months ended September 30, 2006 was 8.44% compared to 6.38% for the period June 22, 2005 (commencement of operations) to September 30, 2005.

During the second quarter ended September 30, 2006, the Company acquired interests in seven new syndicated loans for approximately \$13.5 million and acquired interests in four existing syndicated loans of approximately \$1.8 million.

At September 30, 2006, the Company held 28 non-control/non-affiliate investments, three control investments and cash investments, totaling an aggregate cost basis of \$209 million and fair value of approximately \$208 million.

Condensed Schedule of Investments
September 30, 2006

Investment Type	Cost	Fair Value

Total Non-control/Non-Affiliate Investments	\$122,529,078	\$121,555,262
Total Control Investments	56,746,318	56,491,805
Total cash equivalents	30,007,690	30,007,690

Total investments and cash equivalents	\$209,283,086	\$208,054,757
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"Since the inception of our fund on June 22, 2005, we have invested over \$170 million, bringing our total portfolio investments to 78% of our initial public offering proceeds at quarter end. We are reviewing many buyout and mezzanine opportunities and anticipate reporting additional buyout and mezzanine activity for the third quarter," said Chip Stelljes, President and Chief Investment Officer.

Subsequent to September 30, 2006, the Company:

- Purchased three new loan participations of approximately \$4.0 million;
- Sold one loan participation for \$2.0 million and received principle repayments of approximately \$2.4 million on two loan participations;
- Declared monthly cash dividends of \$0.07 per common share for each of the months of October, November and December of 2006; and
- Entered into a \$100 million revolving credit facility.

The Company will hold a conference call Thursday, November 2, 2006 at 8:30

am EST to discuss first 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 December 2, 2006. To hear the replay, please dial (877) 660-6853, access playback account 286 and use ID code 217126. 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 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" "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 and the Company's Form 10-Q as filed with the Securities and Exchange Commission today. 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 September 30, 2006	For the three months ended September 30, 2005
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INVESTMENT INCOME		
Interest income		
Non-Control/Non-Affiliate investments	\$ 2,387,375	\$ 193,578
Control investments	1,256,303	-
Cash and cash equivalents	569,580	1,613,012
	-----	-----
Total interest income	4,213,258	1,806,590
Other income	670	-
	-----	-----
Total investment income	4,213,928	1,806,590
	-----	-----
EXPENSES		
Administration fee	124,861	77,962
Base management fee	861,893	92,108
Directors fees	56,250	52,000
Insurance expense	67,626	42,478
Professional fees	88,040	66,302
Stockholder related costs	65,100	42,903
Taxes and licenses	41,337	-
Other expenses	24,935	19,931
	-----	-----
Total expenses	1,330,042	393,684
	-----	-----
NET INVESTMENT INCOME	2,883,886	1,412,906
	-----	-----
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Realized loss on sale of Non-Control/Non-Affiliate investments	(1,934)	-
Net unrealized		

(depreciation) appreciation of investment portfolio	(33,908)	63,826
Net loss on investments	(35,842)	63,826
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		
	\$ 2,848,044	\$ 1,476,732
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER COMMON SHARE:		
Basic and Diluted	\$ 0.17	\$ 0.09
SHARES OF COMMON STOCK OUTSTANDING:		
Basic and diluted weighted average shares	16,560,100	16,231,404

GLADSTONE INVESTMENT CORPORATION
STATEMENT OF OPERATIONS
(UNAUDITED)

	For the six months ended September 30, 2006	For the period June 22, 2005 (Commencement of Operations) to September 30, 2005
INVESTMENT INCOME		
Interest income		
Non-Control/Non-Affiliate investments	\$ 4,351,855	\$ 193,578
Control investments	2,446,605	-
Cash and cash equivalents	1,277,920	1,661,210
Total interest income	8,076,380	1,854,788
Other income	986	-
Total investment income	8,077,366	1,854,788
EXPENSES		
Administration fee	240,250	105,045
Base management fee	1,663,202	92,108
Directors fees	99,500	52,000
Insurance expense	140,237	42,478
Professional fees	167,788	66,302
Stockholder related costs	158,866	43,538
Interest expense	-	378
Taxes and licenses	98,444	-
Other expenses	44,029	20,233
Total expenses	2,612,316	422,082
NET INVESTMENT INCOME	5,465,050	1,432,706
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain on sale of Non-Control/Non-Affiliate investments	1,339	-
Net unrealized (depreciation) appreciation of investment portfolio	(1,341,297)	63,826
Net gain on investments	(1,339,958)	63,826
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		
	\$ 4,125,092	\$ 1,496,532
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER COMMON SHARE:		
Basic and Diluted	\$ 0.25	\$ 0.09

SHARES OF COMMON STOCK

OUTSTANDING:

Basic and diluted weighted average shares	16,560,100	16,084,900
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GLADSTONE INVESTMENT CORPORATION
STATEMENT OF ASSETS AND LIABILITIES
(UNAUDITED)

	September 30, 2006	March 31, 2006
	-----	-----
ASSETS		
Non-Control/Non-Affiliate investments (Cost 9/30/06: \$122,529,078; 3/31/06: \$97,423,004)	\$ 121,555,262	\$ 97,585,972
Control investments (Cost 9/30/06: \$56,746,318; 3/31/06: \$55,846,318)	56,491,805	55,796,318
	-----	-----
Total investments at fair value (Cost 9/30/06: \$179,275,396; 3/31/06: \$153,269,322)	178,047,067	153,382,290
Cash and cash equivalents	48,446,618	75,672,605
Interest receivable	1,294,355	761,388
Prepaid directors fees	72,500	-
Prepaid insurance	200,875	99,874
Due from Adviser	-	234,551
Other assets	74,732	173,099
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TOTAL ASSETS	\$ 228,136,147	\$ 230,323,807
	=====	=====

LIABILITIES

Administration fee payable to Gladstone Administration	\$ 124,861	\$ 110,002
Base management fee payable to Gladstone Management	861,893	-
Accrued expenses	154,285	367,031
Other liabilities	16,692	5,077
	-----	-----
Total Liabilities	1,157,731	482,110
	-----	-----
NET ASSETS	\$ 226,978,416	\$ 229,841,697
	=====	=====

ANALYSIS OF NET ASSETS:

Common stock, \$0.001 par value, 100,000,000 shares authorized and 16,560,100 shares issued and outstanding	\$ 16,560	\$ 16,560
Capital in excess of par value	230,196,151	230,229,279
Net unrealized (depreciation) appreciation of investment portfolio	(1,228,329)	112,968
Distributions in excess of net investment income	(2,005,966)	(517,110)
	-----	-----
Total Net Assets	\$ 226,978,416	\$ 229,841,697
	=====	=====
Net assets per share	\$ 13.71	\$ 13.88
	=====	=====

GLADSTONE INVESTMENT CORPORATION
FINANCIAL HIGHLIGHTS
(UNAUDITED)

	For the three months ended September 30, 2006	For the three months ended September 30, 2005
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Per Share Data (1)		
	-----	-----
Balance at beginning of period \$	13.75	\$ 13.90
Income from investment operations:		
Net investment income (2)	0.17	0.09
Realized gain on sale of investments (2)	-	-

Net unrealized appreciation of investments (2)	-	-
Total from investment operations	0.17	0.09
Distributions	(0.21)	(0.06)
Net asset value at end of period	\$ 13.71	\$ 13.93
Per share market value at beginning of period	\$ 14.82	\$ 15.05
Per share market value at end of period	14.60	14.68
Total return (3)	-0.04%	-2.07%
Shares outstanding at end of period	16,560,100	16,560,100
Ratios/Supplemental Data		
Net assets at end of period	\$ 226,978,416	\$ 230,753,412
Average net assets (4)	\$ 226,140,557	\$ 230,242,643
Ratio of expenses to average net assets (annualized)	2.35%	0.68%
Ratio of net investment income to average net assets (annualized)	5.10%	2.45%

(1) Based on actual shares outstanding.

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

(3) 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.

(4) Calculated using the average of the ending monthly net assets for the respective periods.

GLADSTONE INVESTMENT CORPORATION
FINANCIAL HIGHLIGHTS
(UNAUDITED)

	For the six months ended September 30, 2006	For the period June 22, 2005 (Commencement of Operations) to September 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)	0.33	0.09
Realized gain on sale of investments (3)	-	-
Net unrealized appreciation of investments (3)	(0.08)	-
Total from investment operations	0.25	0.09
Distributions	(0.42)	(0.06)
Net asset value at end of period	\$ 13.71	\$ 13.93
Per share market value at beginning of period	\$ 14.90	\$ 15.00
Per share market value at end of period	14.60	14.68
Total return (4)	0.87%	-1.74%
Shares outstanding at end of period	16,560,100	16,560,100

Ratios/Supplemental Data

Net assets at end of period	\$	226,978,416	\$	230,753,412
Average net assets (5)	\$	226,929,612	\$	222,716,478
Ratio of expenses to average net assets (annualized)		2.30%		-0.57%
Ratio of net investment income to average net assets (annualized)		4.82%		1.93%

(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.
Investor Relations
Robert Johnson, 703-287-5835