

GLADSTONE INVESTMENT CORPORATION\DE
Form 497AD
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Gladstone Investment Corporation Prices Term Preferred Stock Offering

McLean, VA, November 5, 2014: Gladstone Investment Corporation (NASDAQ: GAIN) (the Company) today announced that it has entered into an agreement to sell 1,440,000 shares of its newly designated 6.75% Series B Cumulative Term Preferred Stock (the Series B Term Preferred Shares) at a public offering price of \$25.00 per share, raising \$36.0 million in gross proceeds and approximately \$34.5 million in net proceeds after payment of underwriting discounts and commissions and estimated expenses of the offering payable by the Company. The Company has also granted the underwriters a 30-day option to purchase 216,000 additional Series B Term Preferred Shares on the same terms and conditions solely to cover over-allotments, if any. The closing of the transaction is subject to customary closing conditions and the shares are expected to be delivered on or about November 13, 2014. The Series B Term Preferred Shares will have a seven-year term, unless earlier redeemed by the Company. The Company anticipates its Series B Term Preferred Shares will trade on the NASDAQ Global Select Market under the symbol GAINO.

Janney Montgomery Scott LLC is serving as the sole book-running manager. Sterne, Agee & Leach, Inc. is serving as the lead manager, while BB&T Capital Markets, a division of BB&T Securities, LLC, J.J.B. Hilliard, W.L. Lyons, LLC, Wunderlich Securities, Inc., and Ladenburg Thalmann & Co. Inc. are serving as co-managers for the offering.

The Company intends to use the net proceeds from this offering to repay borrowings under its outstanding credit facility.

Investors are advised to carefully consider the investment objectives, risks and charges and expenses of the Company before investing. A prospectus supplement dated November 5, 2014, which will be filed with the Securities and Exchange Commission, and the accompanying prospectus, dated September 4, 2014, which have been filed with the Securities and Exchange Commission, contain this and other information about the Company and should be read carefully before investing.

The offering is being conducted as a public offering under the Company's effective shelf registration filed with the Securities and Exchange Commission (File No. 333-181879). **To obtain a copy of the prospectus supplement for this offering and the accompanying prospectus, please contact: Janney Montgomery Scott LLC, 1717 Arch Street, Philadelphia, PA 19103, Attention: Taxable Fixed Income Department or prospectus@janney.com.**

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

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 112 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.

Investor Relations Inquiries: Please call +1-703-287-5893.