

Gladstone Investment Corporation Invests \$16.4 Million in Mitchell Rubber Products, Inc.

McLean, VA, April 11, 2011: Gladstone Investment Corporation (Nasdaq: GAIN) (“Gladstone Investment”) announced today that it invested \$16.4 million in Mitchell Rubber Products, Inc. (“Mitchell Rubber”), such investment consisting of subordinated debt and equity. Gladstone Investment, together with Ted Ballou, CEO of Mitchell Rubber, and certain key members of Mitchell Rubber’s management, provided the capital to support the recapitalization of the business. Mitchell Rubber, headquartered in Mira Loma, California, develops, mixes, and molds rubber compounds for specialized applications in the non-tire rubber market. For more information on Mitchell Rubber, please go to www.mitchellrubber.com.

“Gladstone Investment is excited about partnering with the talented management team at Mitchell Rubber, led by CEO Ted Ballou, and we look forward to growing the business together. As a result of its expertise in rubber compounding solutions and customer service, Mitchell Rubber performed exceptionally well through the economic downturn and is currently positioned to continue growing by expansion within its existing customer base and through new business development efforts,” said Dave Dullum, President of Gladstone Investment.

Gladstone Investment Corporation is a publicly traded business development company that seeks to make debt and equity investments in small and mid-sized businesses in the United States in connection with acquisitions, changes in control and recapitalizations. The Company pays monthly dividends to its stockholders. Mitchell Rubber was represented by BellMark Partners, LLC of Cleveland, Ohio. Additional information on this transaction can be found at www.gladstonecompanies.com.

For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit www.gladstone.com.

Forward-looking Statements:

The statements in this press release regarding the longer-term prospects of Mitchell Rubber and its management team, and the ability of Mitchell Rubber to grow and expand in the rubber compound business are "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 to differ from these forward-looking statements include, among others, the duration and potential future effects of the current economic downturn on its portfolio companies and on the senior loan market and those factors listed under the caption "Risk Factors" of the Company's Post-Effective Amendment No. 2 to the Registration Statement on Form N-2 (No. 333-160720) as filed with the SEC on November 22, 2010. The risk factors set forth in the Form N-2 under the caption "Risk Factors" are specifically incorporated by reference into this press release. 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.