

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: February 5, 2014
(Date of earliest event reported)

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

Maryland
(State or other jurisdiction
of incorporation)

814-00736
(Commission File
Number)

20-8250744
(IRS Employer
Identification Number)

590 Madison Avenue, 15th Floor, New York, NY
(Address of principal executive offices)

10022
(Zip Code)

212-905-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if changed since last report)

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 5, 2014, PennantPark Investment Corporation issued a press release announcing financial results for the first fiscal quarter ended December 31, 2013. A copy of the press release is furnished as Exhibit 99.1 to this report pursuant to Item 2.02 on Form 8-K and Regulation FD.

The information in this report on Form 8-K, including Exhibit 99.1 furnished herewith, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities of such section. The information in this report on Form 8-K shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Act, or under the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Forward-Looking Statements

This report on Form 8-K, including Exhibit 99.1 furnished herewith, may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. You should understand that under Section 27A(b)(2)(B) of the Securities Act and Section 21E(b)(2)(B) of the Exchange Act the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 do not apply to forward-looking statements made in periodic reports we file under the Exchange Act. All statements other than statements of historical facts included in this press release are forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in filings with the Securities and Exchange Commission. PennantPark Investment Corporation undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this report on Form 8-K.

We may use words such as "anticipates," "believes," "expects," "intends," "seeks," "plans," "estimates" and similar expressions to identify forward-looking statements. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations.

Item 9.01. Financial Statements and Exhibits

(a) Financial statements:

None

(b) Pro forma financial information:

None

(c) Shell company transactions:

None

(d) Exhibits

99.1 [Press Release of PennantPark Investment Corporation dated February 5, 2014](#)

SIGNATURE

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 5, 2014

PENNANTPARK INVESTMENT CORPORATION

By: /s/ Aviv Efrat
Aviv Efrat
Chief Financial Officer and Treasurer

Exhibit Index

Exhibit No.

99.1

Description

Press Release of PennantPark Investment Corporation dated
February 5, 2014

PennantPark Investment Corporation Announces Financial Results for the Quarter Ended December 31, 2013

NEW YORK, NY -- (Marketwired - February 05, 2014) - PennantPark Investment Corporation (NASDAQ: PNNT) announced today financial results for its first fiscal quarter ended December 31, 2013.

HIGHLIGHTS

Quarter ended December 31, 2013

(\$ in millions, except per share amounts)

Assets and Liabilities:

Investment portfolio	\$ 1,209.3
Net assets	\$ 718.9
Net asset value per share	\$ 10.80

Credit Facility (cost \$240.0)	\$ 240.0
2025 Notes (cost \$71.3)	\$ 64.3
SBA debentures	\$ 150.0

Yield on debt investments at quarter-end 13.2%

Operating Results:

Net investment income	\$ 18.0
Net investment income per share	\$ 0.27
Distributions declared per share	\$ 0.28

Portfolio Activity:

Purchases of investments	\$ 228.0
Sales and repayments of investments	\$ 144.0

Number of new portfolio companies invested	9
Number of existing portfolio companies invested	7
Number of portfolio companies at quarter-end	66

CONFERENCE CALL AT 10:00 A.M. ET ON FEBRUARY 6, 2014

PennantPark Investment Corporation ("we," "our," "us" or "Company") will host a conference call at 10:00 a.m. (Eastern Time) on Thursday, February 6, 2014 to discuss its financial results. All interested parties are welcome to participate. You can access the conference call by dialing (877) 741-4248 approximately 5-10 minutes prior to the call. International callers should dial (719) 325-4783. All callers should reference PennantPark Investment Corporation. An archived replay of the call will be available through February 20, 2014 by calling (888) 203-1112. International callers please dial (719) 457-0820. For all phone replays, please reference conference ID #2955698.

PORTFOLIO AND INVESTMENT ACTIVITY

As of December 31, 2013, our portfolio totaled \$1,209.3 million and consisted of \$320.6 million of senior secured loans, \$409.9 million of second lien secured debt, \$350.8 million of subordinated debt and \$128.0 million of preferred and common equity investments. Our debt portfolio consisted of 48% fixed-rate and 52% variable-rate investments (including 49% with a LIBOR or prime floor). Our overall portfolio consisted of 66 companies with an average investment size of \$18.3 million, had a weighted average yield on debt investments of 13.2% and was invested 26% in senior secured loans, 34% in second lien secured debt, 29% in subordinated debt and 11% in preferred and common equity investments.

As of September 30, 2013, our portfolio totaled \$1,078.2 million and consisted of \$299.5 million of senior secured loans, \$357.5 million of second lien secured debt, \$302.5 million of subordinated debt and \$118.7 million of preferred and common equity investments. Our debt portfolio consisted of 52% fixed-rate and 48% variable-rate investments (including 44% with a LIBOR or prime floor). Our overall portfolio consisted of 61 companies with an average investment size of \$17.7 million, had a weighted average yield on debt investments of 13.0% and was invested 28% in senior secured loans, 33% in second lien secured debt, 28% in subordinated debt and 11% in preferred and common equity investments.

For the three months ended December 31, 2013, we invested \$228.0 million in nine new and seven existing portfolio companies with a weighted average yield on debt investments of 12.4%. Sales and repayments of investments for the three months ended December 31, 2013 totaled \$144.0 million.

For the three months ended December 31, 2012, we invested \$168.4 million in five new and seven existing portfolio companies with a weighted average yield on debt investments of 12.7%. Sales and repayments of investments for the three months ended December 31, 2012 totaled \$110.8 million.

RESULTS OF OPERATIONS

Set forth below are the results of operations for the three months ended December 31, 2013 and 2012.

Investment Income

Investment income for the three months ended December 31, 2013 was \$34.4 million and was primarily attributable to \$9.6 million from senior secured loans, \$12.3 million from second lien secured debt investments, \$11.4 million from subordinated debt investments and \$1.1 million from common equity investments. Investment income for the three months ended December 31, 2012 was \$33.0 million and was primarily attributable to \$8.8 million from senior secured loans, \$6.4 million from second lien secured debt investments and \$16.5 million from subordinated debt investments and \$1.3 million from common equity investments. The increase in investment income compared with the same period in the prior year is due to the growth of our portfolio.

Expenses

Expenses for the three months ended December 31, 2013 totaled \$16.5 million. Base management fees for the same period totaled \$5.7 million, incentive fees totaled \$4.5 million, debt related interest and expenses totaled \$4.6 million and general and administrative expenses totaled \$1.7 million. Expenses for the three months ended December 31, 2012 totaled \$14.8 million. Base management fees for the same period totaled \$5.1 million, incentive fees totaled \$4.5 million, debt related interest and expenses totaled \$3.1 million, general and administrative expenses and excise taxes totaled \$2.1 million. The increase in expenses was primarily due to the higher cost of debt, which was partially offset by lower general and administrative expenses.

Net Investment Income

Net investment income totaled \$18.0 million, or \$0.27 per share, for the three months ended December 31, 2013, and \$18.2 million, or \$0.28 per share, for the three months ended December 31, 2012. The decrease in net investment income over the prior period was due to the higher cost of debt.

Net Realized Gains or Losses

Sales and repayments of investments for the three months ended December 31, 2013 totaled \$144.0 million and net realized gains totaled \$2.7 million. Sales and repayments of investments totaled \$110.8 million and net realized gains totaled \$0.9 million for the three months ended December 31, 2012. The increase in net realized gains is due to a larger number of repayments of investments compared to the prior period.

Unrealized Appreciation or Depreciation on Investments, Credit Facility and 2025 Notes

For the three months ended December 31, 2013 and 2012 we reported a net unrealized appreciation on investments of \$14.7 million and \$10.0 million, respectively. As of December 31, 2013 and September 30, 2013, our net unrealized appreciation (depreciation) on investments totaled \$1.4 million and \$(13.3) million, respectively. The increase over the prior period was the result of changes in the market values of our investments offset by reversals of unrealized appreciation upon exiting our investments.

For the three months ended December 31, 2013 and 2012 we reported a net unrealized depreciation (appreciation) on our Credit Facility and our 2025 Notes, of \$4.1 million and \$(0.5) million, respectively. Net change in unrealized appreciation on the Credit Facility and 2025 Notes over the prior period was due to changes in the capital markets.

Net Increase in Net Assets Resulting from Operations

Net increase in net assets resulting from operations totaled \$39.5 million, or \$0.59 per share, for the three months ended December 31, 2013. This compares to a net increase in net assets resulting from operations of \$28.5 million, or \$0.44 per share, for the three months ended December 31, 2012. The increase compared to the prior period was due to the continued growth of our portfolio and appreciation of our investments.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity and capital resources are derived primarily from proceeds of securities offerings, debt and cash flows from operations, including investment sales and repayments, and income earned. Our primary use of funds from operations includes investments in portfolio companies and payments of fees and other operating expenses we incur. We have used, and expect to continue to use, our debt and proceeds from the rotation of our portfolio and proceeds from public and private offerings of securities to finance our investment objectives.

As of December 31, 2013 and September 30, 2013, there was \$240.0 million (including a temporary draw of \$12.0 million) and \$145.5 million (including a temporary draw of \$28.0 million), respectively, in outstanding borrowings under the Credit Facility, with a weighted average interest rate of 3.04% and 3.33%, respectively, exclusive of the fee on undrawn commitments of 0.50%.

As of December 31, 2013 and September 30, 2013 we had \$71.3 million of 2025 Notes outstanding with a fixed interest rate of 6.25%, per year.

We have funded SBIC II, with \$37.5 million of equity capital and received a commitment from the SBA to allow SBIC II to access \$75.0 million in SBA debentures. As of December 31, 2013 and September 30, 2013, our SBIC Funds had \$225.0 and \$150.0 million in SBA debt commitments, respectively, of which \$150.0 million were drawn with a weighted average interest rate of 3.70%, exclusive of the 3.43% in upfront fees (4.04% after upfront fees). The SBA debentures' upfront fees of 3.43% consist of a commitment fee of 1.00% and an issuance discount of 2.43%. Both fees are amortized over the lives of the loans.

The annualized weighted average cost of debt for the three months ended December 31, 2013 and 2012, inclusive of the fee on the undrawn commitment on the Credit Facility and upfront fees on SBA debentures, was 4.20% and 3.93%, respectively.

Our operating activities used cash of \$104.1 million for the three months ended December 31, 2013, primarily for net purchases of investments. Our financing activities provided cash of \$76.4 million for the same period, primarily from net borrowings under our Credit Facility.

Our operating activities used cash of \$35.8 million for the three months ended December 31, 2012, primarily for net purchases of investments. Our financing activities provided cash of \$59.5 million for the same period, primarily from net borrowings under our Credit Facility and proceeds from our capital stock offering.

DISTRIBUTIONS

During the three months ended December 31, 2013 and 2012, we declared distributions of \$0.28 per share or an aggregate of \$18.6 million for each of the periods. We monitor available net investment income to determine if a return of capital for taxation purposes may occur for the fiscal year. To the extent our taxable earnings fall below the total amount of our distributions for any given fiscal year, a portion of those distributions may be deemed to be a return of capital to our common stockholders. Tax characteristics of all distributions will be reported to stockholders on Form 1099-DIV after the end of the calendar year and in our periodic reports filed with the SEC.

AVAILABLE INFORMATION

The Company makes available on its website its report on Form 10-Q filed with the SEC and stockholders may find the report on our website at www.pennantpark.com.

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

	December 31, 2013 (unaudited)	September 30, 2013
	-----	-----
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments (cost-\$1,001,294,305 and \$928,078,589, respectively)	\$1,055,902,267	\$ 968,471,042
Non-controlled, affiliated investments (cost-\$107,398,794 and \$99,021,141, respectively)	84,447,274	76,735,800
Controlled, affiliated investments (cost- \$99,193,930 and \$64,418,155, respectively)	68,931,881	32,968,711
	-----	-----
Total of investments (cost-\$1,207,887,029 and \$1,091,517,885, respectively)	1,209,281,422	1,078,175,553
Cash and cash equivalents	30,803,635	58,440,829
Interest receivable	8,685,856	10,894,893
Prepaid expenses and other assets	6,661,622	5,815,817
	-----	-----
Total assets	\$1,255,432,535	\$1,153,327,092
	-----	-----
Liabilities		
Distributions payable	18,633,086	18,619,812
Payable for investments purchased	14,450,000	52,544,704
Unfunded investments	32,474,167	7,241,667
Credit Facility payable (cost-\$240,000,000 and \$145,500,000, respectively)	240,000,000	145,500,000
SBA debentures payable (cost-\$150,000,000)	150,000,000	150,000,000
2025 Notes payable (cost-\$71,250,000)	64,296,000	68,400,000
Management fee payable	5,747,060	5,419,557
Performance-based incentive fee payable	4,488,779	4,274,881
Interest payable on debt	3,250,388	1,810,466
Accrued other expenses	3,227,868	2,009,806
	-----	-----
Total liabilities	536,567,348	455,820,893
	-----	-----
Net assets		
Common stock, 66,546,734 and 66,499,327 shares issued and outstanding, respectively.		
Par value \$0.001 per share and 100,000,000 shares authorized.	66,546	66,499
Paid-in capital in excess of par value	756,554,170	756,017,096

Distributions in excess of net investment income	(5,353,186)	(4,675,217)
Accumulated net realized loss on investments	(40,750,736)	(43,409,847)
Net unrealized appreciation (depreciation) on investments	1,394,393	(13,342,332)
Net unrealized depreciation on debt	6,954,000	2,850,000
	-----	-----
Total net assets	\$ 718,865,187	\$ 697,506,199
	-----	-----
Total liabilities and net assets	\$1,255,432,535	\$1,153,327,092
	=====	=====
Net asset value per share	\$ 10.80	\$ 10.49
	=====	=====

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended December 31,	
	----- 2013	2012 -----
	-----	-----
Investment income from:		
Non-controlled, non-affiliated investments:		
Interest	\$ 28,964,935	\$ 25,768,617
Other income	2,514,857	4,366,274
Non-controlled, affiliated investments:		
Interest	1,264,610	1,392,503
Other income	-	227,800
Controlled, affiliated investments:		
Interest	1,393,454	1,202,707
Other income	300,833	-
	-----	-----
Total investment income	34,438,689	32,957,901
	-----	-----
Expenses:		
Base management fee	5,747,060	5,128,611
Performance-based incentive fee	4,488,779	4,545,254
Interest and expenses on debt	4,559,523	3,094,865
Administrative services expenses	911,596	1,172,322
Other general and administrative expenses	776,614	760,532
	-----	-----
Expenses before taxes	16,483,572	14,701,584
Tax expense	-	75,301
	-----	-----
Total expenses	16,483,572	14,776,885
	-----	-----
Net investment income	17,955,117	18,181,016
	-----	-----
Realized and unrealized gain (loss) on investments and debt:		
Net realized gain on investments	2,659,111	871,132
Net change in unrealized appreciation (depreciation) on:		
Non-controlled, non-affiliated investments	14,215,508	6,062,321
Non-controlled and controlled, affiliated investments	521,217	3,974,217
Debt depreciation (appreciation)	4,104,000	(547,500)
	-----	-----
Net change in unrealized appreciation	18,840,725	9,489,038
	-----	-----
Net realized and unrealized gain from investments and debt	21,499,836	10,360,170
	-----	-----
Net increase in net assets resulting from operations	\$ 39,454,953	\$ 28,541,186
	=====	=====
Net increase in net assets resulting from operations per common share	\$ 0.59	\$ 0.44
	-----	-----
Net investment income per common share	\$ 0.27	\$ 0.28
	-----	-----

ABOUT PENNANTPARK INVESTMENT CORPORATION

PennantPark Investment Corporation is a business development company which principally invests in U.S. middle-market private companies in the form of senior secured loans, mezzanine debt and equity investments. PennantPark Investment Corporation is managed by PennantPark Investment Advisers, LLC.

FORWARD-LOOKING STATEMENTS

This press release may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. You should understand that under Section 27A(b)(2)(B) of the Securities Act of 1933, as amended, and Section 21E(b)(2)(B) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 do not apply to forward-looking statements made in periodic reports we file under the Exchange Act. All statements other than statements of historical facts included in this press release are forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in filings with the SEC. The Company undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this press release.

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CONTACT:
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