

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: August 05, 2008
(Date of earliest event reported)

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

NY
(State or other jurisdiction
of incorporation)

814-00736
(Commission File
Number)

20-8250744
(IRS Employer
Identification Number)

**590 Madison Avenue, 15th Floor, New York,
New York**
(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))
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Item 2.02. Results of Operations and Financial Condition

On August 5, 2008, PennantPark Investment Corporation issued a press release announcing its financial results for the quarter ended June 30, 2008. A copy of the press release is furnished as exhibit 99.1 to this report pursuant to Item 2.02 and Regulation FD.

Item 7.01. Regulation FD Disclosure

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 August 05, 2008](#)

SIGNATURE

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.

Dated: August 05, 2008

PENNANTPARK INVESTMENT CORPORATION

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

<u>Exhibit No.</u>	<u>Exhibit Index</u>	<u>Description</u>
99.1		Press Release of PennantPark Investment Corporation dated August 05, 2008

PennantPark Investment Corporation Announces Financial Results for the Quarter Ended June 30, 2008

NEW YORK, NY -- 08/05/2008 -- PennantPark Investment Corporation (the "Company") (NASDAQ: PNNT) today announces financial results for its third fiscal quarter ended June 30, 2008.

HIGHLIGHTS

Quarter Ended June 30, 2008

(\$ in millions, except per share amounts)

Investment portfolio	\$ 385.7
Net assets	\$ 226.8
Net asset value per share	\$ 10.77
Increase in net asset value per share	\$ 0.51

Amount drawn under credit facility (excluding temporary draw) \$ 164.1

Investment portfolio composition and yield:

Subordinated debt, second lien secured debt, and equity	\$ 252.5
First lien secured debt	\$ 133.2
Weighted average yield on debt	9.5%
Weighted average yield on subordinated and second lien secured debt	11.9%
Weighted average yield on first lien secured debt	5.1%

Operating Results:

Net investment income	\$ 3.9
Net investment income per share	\$ 0.19
Distributions to stockholders per share	\$ 0.22

Portfolio Activity:

Purchases of long term investments	\$ 46.8
Sales and repayments of long term investments	\$ 9.2
Number of new portfolio companies invested	2
Number of existing portfolio companies invested	3
Number of portfolio companies at end of period	41

CONFERENCE CALL AT 10:00 A.M. ET ON AUGUST 6, 2008

The Company will host a conference call at 10:00 a.m. (Eastern Time) on Wednesday, August 6, 2008 to discuss the quarterly results. All interested parties are welcome to participate. You can access the conference call by dialing (800) 766-6630 approximately 5-10 minutes prior to the call. International callers should dial (416) 695-9757. All callers should reference PennantPark Investment Corporation. An archived replay of the call will be available through August 20, 2008 by calling (800) 408-3053. International callers please dial (416) 695-5800. For all replays, please reference conference ID #3266489.

PORTFOLIO AND INVESTMENT ACTIVITY

As of June 30, 2008, our portfolio totaled \$385.7 million and consisted of \$130.6 million of subordinated debt, \$107.0 million of second lien secured debt, \$14.9 million of equity investments and \$133.2 million of senior secured loans. This compares to our portfolio which totaled \$275.1 million and consisted of \$42.3 million of subordinated debt, \$54.4 million of second lien secured debt, \$3.0 million of equity investments and \$175.4 million of senior secured loans as of June 30, 2007.

As of June 30, 2008, our core assets totaled \$252.5 million and consisted of investments in sixteen different companies with an average investment size of \$15.8 million per company and a weighted average yield of 11.9% on debt investments. This compares to our core assets which totaled \$99.7 million and consisted of investments in seven different companies with an average investment size of \$14.2 million per company and weighted average yield of 12.2% on debt investments as of June 30, 2007.

On June 30, 2008, our senior secured loan portfolio totaled \$133.2 million and consisted of twenty-six different companies (including one company also in our core portfolio) with an average investment size of \$5.1 million, and a weighted average yield of 5.1%. This compares to our senior secured loan portfolio which totaled \$175.4 million and consisted of thirty different companies with an average investment size of \$5.8 million and a weighted average yield of 7.6% as of June 30, 2007.

As of June 30, 2008, our portfolio consisted of forty-one companies with an average investment size of \$9.4 million and a weighted average yield on debt investments of 9.5%, and was invested 34% in subordinated debt, 28% in second lien secured debt, 4% in preferred and common equity investments and 34% in senior secured loans. This compares to our portfolio which consisted of thirty-seven companies with an average investment size of \$7.4 million and a weighted average yield on debt investments of 9.3%, and which was invested 15.4% in subordinated debt, 19.8% in second lien secured debt, 1.0% in equity investments and 63.8% in senior secured loans as of June 30, 2007.

Due to a more stable market for liquid leveraged finance instruments and the maturation and growth of some of our equity co-investments, our portfolio had unrealized appreciation of \$11.7 million for the three months ended June 30, 2008.

For the three months ended June 30, 2008, we invested \$46.8 million in two new and three existing portfolio companies with an average yield of 14.5% on the debt investments. Sales and repayments of primarily senior secured loans for the three months ended June 30, 2008 totaled \$9.2 million.

"The correction that is going on in the market today presents a long term opportunity for PennantPark," said Arthur Penn, Chairman and Chief Executive Officer. "Risk/reward is the best it has been in years and we are uniquely positioned to take advantage of the chaos."

RESULTS OF OPERATIONS

Set forth below are the results of operations for the three months period ended June 30, 2008 and June 30, 2007.

Investment Income

Investment income for the three months ended June 30, 2008 and June 30, 2007, was \$9.7 million and \$5.4 million, respectively. Investment income for the three months ended June 30, 2008 was primarily attributed to \$3.7 million of interest income from senior secured loan investments; \$3.7 million from our second lien secured debt investments; and \$1.7 million from our subordinated debt investments. The remaining investment income was primarily attributed to interest income from short-term investments and to accretion of discount and amortization of premium. This compares to investment income which was primarily attributed to senior secured loan investments as of June 30, 2007.

Expenses

Net expenses for the three months ended June 30, 2008 and June 30, 2007, totaled \$5.7 million and \$2.2 million, respectively. Of these totals, \$1.7 million and approximately \$862,000 were attributable to credit facility related expenses, and \$1.2 million and approximately \$569,000 to general and administrative expenses, respectively. Net base management fee for the same periods totaled \$1.8 million and approximately \$786,000, and performance-based incentive fee totaled \$1.0 million and zero, respectively.

Net Investment Income

Net investment income totaled \$3.9 million and \$3.2 million or \$0.19 and \$0.15 per share for the three months ended June 30, 2008 and June 30, 2007, respectively.

Net Realized Loss

Sales and repayments of long-term investments totaled \$9.2 million and \$84.6 million, respectively, for the three months ended June 30, 2008 and June 30, 2007, and net realized losses totaled approximately \$402,000 and \$35,000, respectively, for the same periods.

Net Unrealized Depreciation on Investments and Cash Equivalents

The Company's investments and cash equivalents had a net increase/(decrease) in unrealized appreciation of \$11.7 million and (\$5.1) million, respectively, for the three months ended June 30, 2008 and June 30, 2007. On June 30, 2008 and June 30, 2007, net unrealized depreciation on investments totaled \$66.1 million and \$5.1 million, respectively.

Net Increase/(Decrease) in Net Assets From Operations

Net increase/(decrease) in net assets resulting from operations totaled \$15.2 million and (\$1.9) million, or \$0.72 and (\$0.09) per share, respectively, for the three months ended June 30, 2008 and June 30, 2007.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are generated primarily through its senior secured, multi-currency, \$300 million, five-year revolving credit facility maturing in June 2012 as well as from cash flows from operations, investment sales and prepayments, and income earned from investments and cash equivalents. On June 30, 2008, the Company had \$204.1 million in borrowings outstanding; including \$40.0 million of temporary draws invested in cash equivalents. Our operating activities resulted in a net use of cash of \$45.2 million and \$144.7 million, respectively, for the three months ended June 30, 2008 and June 30, 2007, and our financing activities resulted in a net inflow of cash of \$5.0 million and \$141.7 million, respectively, for the same periods, primarily from net borrowings under our credit facilities.

DIVIDENDS

Dividends paid to stockholders totaled \$4.6 million and \$2.9 million, or \$0.22 and \$0.14 per share, respectively, for the three months ended June 30, 2008 and June 30, 2007. Tax characteristics of all dividends will be reported to stockholders on form 1099-DIV after the end of the calendar year.

	2008 (Unaudited)	September 30, 2007
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments, at fair value (cost--\$435,256,061 and \$298,789,297, respectively)	\$ 369,991,408	\$ 274,679,030
Non-controlled, affiliated investments, at fair value (cost--\$16,534,481 and \$16,092,573, respectively)	15,715,395	16,337,578
Investments at fair value	385,706,803	291,016,608
Cash equivalents (cost--\$41,030,236 and \$258,016,351, respectively)	41,030,236	257,959,635
Interest receivable	4,024,013	4,517,850
Prepaid expenses and other assets	1,524,999	1,513,583
Total assets	432,286,051	555,007,676

Liabilities		
Payable for cash equivalents purchased	-	252,759,931
Payable for investments purchased	-	16,583,921
Unfunded investments	-	3,989,948
Credit facility payable	204,100,000	10,000,000
Interest payable	134,946	170,989
Accrued other expenses	1,224,266	1,109,793
Total liabilities	205,459,212	284,614,582

Net Assets		
Common stock, par value \$0.001 per share, 100,000,000 shares authorized and 21,068,772 shares issued and outstanding	21,069	21,069
Paid-in capital in excess of par	294,586,604	294,586,604
Distributions in excess of net investment income	(980,265)	(196,769)
Accumulated net realized loss	(716,830)	(95,832)
Net unrealized depreciation on investments and cash equivalents	(66,083,739)	(23,921,978)
Total net assets	\$ 226,826,839	\$ 270,393,094
Total liabilities and net assets	\$ 432,286,051	\$ 555,007,676
Net asset value per share	\$ 10.77	\$ 12.83

PENNANTPARK INVESTMENT CORPORATION
STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended June 30, 2008	Three months ended June 30, 2007	Nine months ended June 30, 2008	Period from January 11, 2007 (inception) months through June 30, 2007
Investment income:				
From non-controlled, non-affiliated investments:				
Interest	\$ 9,080,471	\$ 5,425,279	\$ 27,016,694	\$ 6,198,262
Dividends	132,154	-	132,154	-
Other	111,924	-	167,806	-
From non-controlled, affiliated investments:				
Interest	337,832	-	1,063,257	-
income	9,662,381	5,425,279	28,379,911	6,198,262

	Expenses:			
Base management fee	1,829,909	1,048,503	5,195,750	1,048,503
	Performance-based			
incentive fee	985,287	-	2,433,394	-
	Interest and other			
	credit facility			
expenses	1,656,140	862,433	4,422,543	1,603,408
	Administrative			
services expenses	591,726	192,584	1,804,047	192,584
	Other general and			
	administrative			
expenses	658,178	276,166	1,823,014	559,394

	Expenses before			
	base management			
fee waiver	5,721,240	2,379,686	15,678,748	3,403,889

	Base management fee			
waiver	-	(262,126)	(420,731)	(262,126)
Income tax expense	-	100,000	-	100,000

Net expenses	5,721,240	2,217,560	15,258,017	3,241,763

	Net investment			
income	3,941,141	3,207,719	13,121,894	2,956,499

	Realized and unrealized			
	gain (loss) on			
	investments and			
	cash equivalents:			
	Net realized loss			
	on investments and			
cash equivalent	(401,624)	(34,726)	(620,998)	(15,351)
	Net change in			
	unrealized			
	appreciation			
	(depreciation) on:			
	Non-controlled,			
	non-affiliated			
	investments and			
cash equivalents	10,700,808	(5,117,039)	(41,097,670)	(5,118,740)
	Non-controlled,			
	affiliated			
investments	964,139	-	(1,064,091)	-

	Net change in			
	unrealized			
	appreciation			
(depreciation)	11,664,947	(5,117,039)	(42,161,761)	(5,118,740)

	Net realized and			
	unrealized gain			
	(loss) from			
	investments and			
cash equivalents	11,263,323	(5,151,765)	(42,782,759)	(5,134,091)

	Net increase			
	(decrease) in net			
	assets resulting			
from operations	\$ 15,204,464	\$ (1,944,046)	\$(29,660,865)	\$ (2,177,592)
	=====			
	Gain (loss) per			
common share	\$ 0.72	\$ (0.09)	\$ (1.40)	\$ (0.10)
	=====			

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 mezzanine debt, senior secured loans and equity investments. From time to time, we may also invest in public companies whose securities are thinly traded. 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. 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. 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.

We may use words such as "anticipates," "believes," "expects," "intends," "will," "should," "may" 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. Undue reliance should not be placed on such forward-looking statements as such statements speak only as of the date on which they are made. We do not undertake to update our forward-looking statements unless required by law.

Contact:
Aviv Efrat
PennantPark Investment Corporation
(212) 905-1000
Or visit us on the web at: www.pennantpark.com