

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 (Date of earliest event reported): **June 30, 2011**

**HORIZON TECHNOLOGY FINANCE
CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

814-00802
(Commission File Number)

27-2114934
(I.R.S. Employer Identification No.)

312 Farmington Avenue
Farmington, CT 06032
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(860) 676-8654**

Check the appropriate box below if the Form 8-K 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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Section 8
Item 8.01

Other Events
Other Events

On June 30, 2011, Horizon Technology Finance Corporation (the "Company") issued a press release to announce that it realized aggregate gains of \$5.0 million from the sale of its portfolio warrants and stock in two of its portfolio companies in the second quarter of 2011. A copy of the press release is attached hereto as exhibit 99.1.

Section 9
Item 9.01

Financial Statements and Exhibits
Financial Statements and Exhibits

(d) Exhibits.

99.1 Press Release of the Company dated June 30, 2011.

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.

Date: June 30, 2011

HORIZON TECHNOLOGY FINANCE CORPORATION

By: /s/ Robert D. Pomeroy, Jr.

Robert D. Pomeroy, Jr.
Chief Executive Officer



Horizon Technology Finance Announces Realized Gains of \$5.0 Million from Sale of Portfolio Warrants and Stock in Q2 2011

Realized Gains Total \$5 Million, or \$0.66 per Share

FARMINGTON, Conn., June 30, 2011 – Horizon Technology Finance Corporation (Nasdaq: HRZN) (the “Company” or “Horizon”), a leading specialty finance company that provides secured loans to venture capital and private equity backed development-stage companies in the technology, life science, healthcare information and services, and clean-tech industries, today announced that it has realized a net gain of approximately \$5.0 million from the sale of portfolio warrants and stock in Q2 2011. Approximately \$3.5 million of the net gain, or approximately \$0.46 per share, is in connection with the completed acquisition of its portfolio company, Advanced BioHealing, Inc. (“ABH”), by Shire plc (LSE: SHP, NASDAQ: SHPGY) on June 28, 2011 at a purchase price of \$750 million. Pursuant to the terms of the transaction, an additional \$190,000 of proceeds to the Company will be held in escrow pending the expiration of an escrow period expiring on March 31, 2012. ABH previously repaid in full Horizon’s secured debt investment in December 2008.

In addition, Horizon realized a net gain of approximately \$1.5 million, or approximately \$0.20 per share, during the second quarter of 2011 from the sale of common stock in Pharmasset, Inc. (“Pharmasset”) (Nasdaq: VRUS), an existing portfolio company, that it received in connection with the exercise of portfolio warrants. Combined with a net realized gain of approximately \$1 million in the fourth quarter of 2010 and first quarter of 2011, Horizon realized an aggregate gain of \$2.5 million related to its warrants in Pharmasset.

Robert D. Pomeroy, Jr., Chairman and Chief Executive Officer, commented, “Our realized gains totaling \$5 million in the second quarter demonstrate the success of our investment strategy that focuses on development stage companies in our target markets. With a maturing high-quality portfolio, we expect to continue to realize gains that complement our stable stream of interest income and enhance total returns for our shareholders.”

About Horizon Technology Finance Corporation

Horizon Technology Finance Corporation is a closed-end investment company that has elected to be treated as a business development company under the Investment Company Act of 1940. The Company provides secured loans to development-stage companies backed by established venture capital and private equity firms within the technology, life science, healthcare information and services, and clean-tech industries. The investment objective of Horizon Technology Finance is to maximize total risk-adjusted returns by generating current income from a portfolio of directly originated secured loans as well as capital appreciation from warrants to purchase the equity of portfolio companies. Headquartered in Farmington, CT, with a regional office in Walnut Creek, CA, the Company is externally managed by its investment advisor, Horizon Technology Finance Management LLC. To learn more, please visit www.horizontechnologyfinancecorp.com.

Forward-Looking Statements

Statements included herein may constitute "forward-looking statements," which relate to future events or our future performance or financial condition. These statements are not guarantees of future performance, condition 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 our 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.

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