

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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) August 10, 2004

Gladstone Capital Corporation
(Exact name of registrant as specified in its chapter)

Maryland	814-00237	54-2040781
(State or other jurisdiction	(Commission	(IRS Employer
of incorporation)	File Number)	Identification No.)

1616 Anderson Road, Suite 208	
McLean, Virginia	22102
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (703) 286-7000

Item 7. Financial Statements and Exhibits.

(a) Not applicable.

(b) Not applicable.

(c) Exhibits.

Exhibit No.	Description
- - - - -	- - - - -

99.1	Press release dated August 10, 2004
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Item 12. Results of Operations and Financial Condition.

On August 10, 2004, Gladstone Capital Corporation issued a press release announcing its financial results for the quarter ended June 30, 2004. The text of the press release is included as an exhibit to this Form 8-K. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein and herein is deemed to be furnished and shall not be deemed to be filed.

SIGNATURES

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.

	Gladstone Capital Corporation
	(Registrant)
August 10, 2004	By: /s/ Harry Brill

	(Harry Brill, Chief Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
- - - - -	- - - - -

99.1	Press release dated August 10, 2004
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Gladstone Capital Reports Financial Results for the Nine Months Ended
June 30, 2004. Net Increase in Stockholders' Equity Per Share
Increased 14% Compared to the Nine Months Ended June 2003.

MCLEAN, Va., Aug. 10 /PRNewswire-FirstCall/ -- Gladstone Capital Corp. (Nasdaq: GLAD) announced earnings for the quarter ended June 30, 2004 today. Net Increase in Stockholders' Equity Resulting from Operations for the three months ended June 30, 2004 was \$5,609,893, or \$0.54 per diluted weighted average common share, compared to \$2,370,899, or \$0.23 per diluted weighted average common share for the three months ended June 30, 2003, an increase of \$3,238,994, or 137%. On a diluted weighted average common share basis there was a 135% increase.

For the nine months ended June 30, 2004, Net Increase in Stockholders' Equity Resulting from Operations was \$9,819,550, or \$0.95 per diluted weighted average common share, compared to \$8,445,069, or \$0.83 per diluted weighted average common share for the nine months ended June 30, 2003, an increase of \$1,374,481, or 16%. On a diluted weighted average common share basis there was a 14% increase.

Net Investment Income for the three months ended June 30, 2004 was \$4,595,988, or \$0.45 per diluted weighted average common share, compared to the three months ended June 30, 2003 of \$3,115,736, or \$0.30 per diluted weighted average common share, an increase of \$1,480,252, or 48%. Net Investment Income for the nine months ended June 30, 2004 was \$10,656,182, or \$1.03 per diluted weighted average common share, compared to the nine months ended June 30, 2003 of \$8,447,482, or \$0.83 per diluted weighted average common share. This was an increase of \$2,208,700 or 26%.

The Company pays its dividend based on taxable income which is close to Net Investment Income. The Company is currently paying a monthly dividend of \$0.12 per share (\$0.36 per quarter). Total assets were \$220,533,798 at June 30, 2004 and \$214,566,663 at September 30, 2003.

"In the third quarter, the Company added five new investments with an aggregate investment amount of \$42.7 million. These new investments bring the total number of private companies in our portfolio to seventeen. During the third quarter, Home Care Supply, Inc. repaid its entire loan of \$18.0 million and Wingstop Restaurants International, Inc. repaid its outstanding loan obligation of approximately \$5.4 million. Both companies paid conditional interest and prepayment fees in the aggregate amount of approximately \$1.9 million. Also the Company increased its position by \$1.0 million in Mistras Holdings, Inc., and provided MedAssets, Inc., with an additional \$2.5 million for the quarter ended June 30, 2004. We believe that the third quarter showed positive growth in our potential in the marketplace. We feel good about our achievements thus far and are working diligently to continue our successes for our shareholders and employees. Our goal is to continue making good investments so that we can increase our monthly dividend for shareholders," said a spokesperson for the Company.

The Company will have a conference call at 10:30 am EDT, August 11, 2004. Please call 866-244-4742 and use the ID code 902555 and you will be placed on hold until the conference starts. An operator will monitor the call and set a queue for the questions. To hear the replay please dial 888-266-2081 and use the ID code 902555 to access the call. The replay number will be available for approximately 30 days. For further information please contact Harry Brill, Chief Financial Officer or Skye Breeden, Director of Shareholder Relations at 703-286-7000.

The financial statements below are without footnotes so readers should obtain and carefully review our Form 10-Q for the period ended June 30, 2004, including the footnotes to the financial statements contained therein. We have filed the Form 10-Q today with the Securities and Exchange Commission ("SEC") and the Form 10-Q can be retrieved at the SEC website at <http://www.SEC.gov> or the website for Gladstone Capital at <http://www.GladstoneCapital.com>.

This press release may include statements that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements with regard to the future performance of the Company. Words such as "believes," "feel," "expects," "projects," "goals," and "future" or similar expressions are intended to identify 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, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements include, among others, those factors listed under the caption "Risk factors" of the Company's Form 10-K for the Fiscal Year Ended September 30, 2003, as filed with the Securities and Exchange Commission on December 11, 2003. 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.

	June 30, 2004 (Unaudited)	September 30, 2003
ASSETS		
Investments at fair value (Cost 6/30/2004: \$158,318,500; 9/30/2003: \$109,529,893)	\$ 157,247,029	\$ 109,307,553
Cash and cash equivalents	4,895,459	21,143,972
Cash and cash equivalents pledged as collateral	55,006,917	80,022,249
Interest receivable - investments in debt securities	789,623	1,041,943
Interest receivable - cash and cash equivalents	170	955
Interest receivable - officers	22,868	108,657
Due from custodian	627,672	1,207,000
Prepaid assets	1,512,345	1,479,815
Other assets	431,715	254,519
TOTAL ASSETS	\$ 220,533,798	\$ 214,566,663
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Accounts payable	\$ 146,132	\$ 23,247
Dividends payable	-	3,327,009
Borrowings under lines of credit	33,520,666	-
Accrued expenses and deferred liabilities	2,289,829	1,965,025
Repurchase agreement	53,908,596	78,449,000
Total Liabilities	\$ 89,865,223	\$ 83,764,281
STOCKHOLDERS' EQUITY		
Common stock, \$0.001 par value, 50,000,000 shares authorized and 10,113,444 and 10,081,844 shares issued and outstanding, respectively	\$10,114	\$10,082
Capital in excess of par value	140,852,913	140,416,674
Notes receivable - officers	(9,232,698)	(8,985,940)
Net unrealized depreciation on investments	(1,071,472)	(222,340)
Undistributed/(overdistributed) net investment income	109,718	(416,094)
Total Stockholders' Equity	\$ 130,668,575	\$ 130,802,382
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 220,533,798	\$ 214,566,663

GLADSTONE CAPITAL CORPORATION
SCHEDULE OF INVESTMENTS
AS OF JUNE 30, 2004
(UNAUDITED)

COMPANY (1)	INDUSTRY	INVESTMENT	COST	FAIR VALUE
A and G, Inc. (d/b/a Alstyle)	Activewear products	Senior Term Debt (2)	\$12,250,000	\$12,250,000
America's Water Heater Rentals	Household appliances rental	Senior Term Debt (3) (5) (7)	12,000,000	12,720,000
ARI Holdings, Inc.	Manufacturing - auto parts	Senior Term Debt (5) Second Lien Term Debt (5)	1,283,891 3,620,033	1,277,472 3,570,257
Bear Creek Corporation	Premium horticultural and food products	Second Lien Term Debt (6)	6,000,000	6,090,000
Benetech, Inc.	Dust management systems for the coal and electric utility industries	Senior Term Debt Senior Term Debt (2)	3,250,000 3,250,000	3,250,000 3,250,000

Burt's Bees, Inc.	Personal & household products	Senior Term Debt (6)	983,333	995,625
Coyne International Enterprises	Industrial services	Senior Term Debt (2) (4) (5)	15,658,088	15,501,507
Finn Corporation	Manufacturing - landscape equipment	Senior Subordinated Term Debt (5)	10,500,000	9,240,000
		Common Stock Warrants	37,000	492,284
Fugate and Associates, Inc. (d/b/a ERS Imaging)	Aggregator & Reseller - Printer Cartridges, etc.	Senior Term Debt (5)	1,333,332	1,329,999
		Senior Term Debt (2) (5)	3,150,000	3,134,250
Gammill, Inc.	Designer and assembler of quilting machines and accessories	Senior Term Debt (5)	4,835,256	4,853,388
		Senior Term Debt (2) (5)	4,750,000	4,767,813
Inca Metal Products Corporation	Material handling and storage products	Senior Term Debt (2) (5)	2,446,733	2,189,826
Kingway Acquisition, Inc.				
Clymer Acquisition, Inc.				
Maidenform, Inc.	Intimate apparel	Second Lien Term Debt (6)	10,003,705	10,012,500
Marcal Paper Mills, Inc.	Manufacturing - paper products	Senior Subordinated Term Debt (5)	6,800,000	6,205,000
		First Mortgage Loan	9,231,598	9,231,598
MD Beauty, Inc.	Cosmetic and skin care products	Second Lien Term Debt	8,000,000	8,000,000
MedAssets, Inc.	Pharmaceuticals and healthcare GPO	Senior Term Debt (6)	1,938,015	1,933,392
		Second Lien Term Debt (6)	6,503,516	6,565,000
Mistras Holdings Corp.	Nondestructive testing instruments, systems and services	Senior Term Debt (2) (5)	10,000,000	9,925,000
		Senior Term Debt (2) (5)	5,000,000	4,950,000
		Senior Term Debt (2) (5)	1,000,000	1,000,000
Woven Electronics Corporation	Custom electrical cable assemblies	Senior Term Debt (2) (5)	2,494,000	2,497,118
		Senior Term Debt (3) (5)	12,000,000	12,015,000
Total:			\$158,318,500	\$157,247,029

- (1) We do not "Control," and are not an "Affiliate" of, any of our portfolio companies, each as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). In general, under the 1940 Act, we would "Control" a portfolio company if we owned 25% or more of its voting securities and would be an "Affiliate" of a portfolio company if we owned 5% or more of its voting securities.
- (2) Last Out Tranche of senior debt, meaning if the company is liquidated then the holder of the Last Out Tranche is paid after the senior debt.
- (3) Last Out Tranche of senior debt, meaning if the company is liquidated then the holder of the Last Out Tranche is paid after the senior debt, however the debt is junior to another Last Out Tranche.
- (4) Has some paid in kind (PIK) interest. Refer to Note 2 "Summary of Significant Accounting Policies" of Form 10-K for the fiscal year

ended September 30, 2003.

- (5) Fair value was based on valuation prepared and provided by Standard & Poor's Loan Evaluation Services.
- (6) Marketable securities are valued based on the bid price, as of June 30, 2004, from the respective originating syndication agent's trading desk.
- (7) Includes a success fee with a fair value of \$600,000 and no cost basis.

GLADSTONE CAPITAL CORPORATION
SCHEDULE OF INVESTMENTS
AS OF SEPTEMBER 30, 2003
(UNAUDITED)

COMPANY (1)	INDUSTRY	INVESTMENT	COST	FAIR VALUE
America's Water Heater Rentals, LLC	Water heater rentals and servicing	Senior Term Debt (2) (4)	\$12,000,000	\$12,000,000
ARI Holdings, Inc.	Manufacturing auto parts	Senior Term Debt (2) (3)	3,511,667	3,511,667
		Senior Term Debt (2)	1,500,000	1,500,000
Coyne International Enterprises Corp.	Industrial services	Senior Term Debt (2) (3) (4)	15,421,740	15,306,077
Finn Corporation	Manufacturing landscape equipment	Senior Subordinated Term Debt (4)	10,500,000	10,421,250
		Common Stock Warrants for 2% Ownership	37,000	431,111
Fugate & Associates, Inc.	Imaging supplies	Senior Term Debt (4)	3,412,500	3,412,500
		Senior Term Debt (4)	1,833,333	1,833,333
Home Care Supply, Inc.	Medical equipment rental	Senior Term Debt (2) (4) (5)	18,000,000	18,428,400
Inca Metal Products Corp. Kingway Acquisition, Inc. Clymer Acquisitions, Inc.	Material handling and storage products	Senior Term Debt (2) (4)	5,775,000	4,995,375
Kozy Shack Enterprises, Inc.	Food production and sales	Senior Term Debt (2) (4)	900,000	909,000
Marcal Paper Mills, Inc.	Manufacturing paper products	Senior Subordinated Term Debt (2) (4)	6,975,000	6,922,687
		First Mortgage Debt (3)	9,163,653	9,163,653
Mistras Holdings, Inc.	Nondestructive testing instruments, systems and services	Senior Term Debt (2)	10,000,000	10,000,000
		Senior Term Debt (2)	5,000,000	5,000,000
Wingstop Restaurants International, Inc.	Restaurant - fast food	Senior Term Debt (4)	3,500,000	3,482,500
		Senior Term Debt (4)	2,000,000	1,990,000
Total:			\$109,529,893	\$109,307,553

(1) We do not "Control," and are not an "Affiliate" of, any of our portfolio companies, each as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). In general, under the 1940 Act, we

- would "Control" a portfolio company if we owned 25% or more of its voting securities and would be an "Affiliate" of a portfolio company if we owned 5% or more of its voting securities.
- (2) Last Out Tranche of senior debt, meaning if the company is liquidated then the holder of the Last Out Tranche is paid after the senior debt.
 - (3) Has some paid in kind (PIK) interest. Refer to Note 2 "Summary of Significant Accounting Policies" of Form 10-K for the fiscal year ended September 30, 2003.
 - (4) Fair value was based on valuation prepared and provided by Standard & Poor's Loan Evaluation Services.
 - (5) Includes a success fee with a fair value of \$473,400.

GLADSTONE CAPITAL CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003
INVESTMENT INCOME		
Interest income - investments	\$ 5,700,139	\$ 3,684,284
Interest income - cash and cash equivalents	15,268	79,073
Interest income - notes receivable from officers	112,528	109,737
Managerial assistance fees	399,375	125,000
Other income	482,500	61,650
Total Investment Income	\$ 6,709,810	\$ 4,059,744
EXPENSES		
Salaries and benefits	1,253,073	493,901
Rent	34,873	54,899
Professional fees	59,279	101,211
Directors fees	28,000	20,290
Insurance	63,369	71,883
Stockholder related costs	10,643	12,227
Financing fees	185,855	62,355
Interest	133,735	-
Loss on derivative	114,376	-
General and administrative	230,619	127,242
Total Expenses	\$ 2,113,822	\$ 944,008
NET INVESTMENT INCOME	\$ 4,595,988	\$ 3,115,736
Net unrealized appreciation (depreciation) on investments	1,013,905	(744,837)
NET INCREASE IN STOCKHOLDERS' EQUITY RESULTING FROM OPERATIONS	\$ 5,609,893	\$ 2,370,899
NET INCREASE IN STOCKHOLDERS' EQUITY RESULTING FROM OPERATIONS PER COMMON SHARE		
Basic	\$ 0.56	\$ 0.24
Diluted	\$ 0.54	\$ 0.23
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING		
Basic	10,105,270	10,071,844
Diluted	10,301,390	10,256,790

GLADSTONE CAPITAL CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

	Nine Months Ended June 30, 2004	Nine Months Ended June 30, 2003
INVESTMENT INCOME		
Interest income - investments	\$ 13,118,652	\$ 9,887,909
Interest income - cash and cash equivalents	81,223	390,577
Interest income - notes receivable from officers	330,698	329,078
Managerial assistance fees	1,010,606	483,000
Other income	504,500	63,906
Total Investment Income	\$ 15,045,679	\$ 11,154,470
EXPENSES		
Salaries and benefits	2,063,549	1,405,002
Rent	106,597	164,044
Professional fees	519,229	302,478
Directors fees	85,210	54,647

Insurance	200,654	216,724
Stockholder related costs	130,623	123,659
Financing fees	479,890	62,355
Interest	158,337	-
Loss on derivative	114,376	-
General and administrative	531,032	378,079
Total Expenses	\$ 4,389,497	\$ 2,706,988
NET INVESTMENT INCOME	\$ 10,656,182	\$ 8,447,482
Realized gain on sale of investment	12,500	-
Net unrealized (depreciation) appreciation on investments	(849,132)	(2,413)
NET INCREASE IN STOCKHOLDERS' EQUITY RESULTING FROM OPERATIONS	\$ 9,819,550	\$ 8,445,069
NET INCREASE IN STOCKHOLDERS' EQUITY RESULTING FROM OPERATIONS PER COMMON SHARE		
Basic	\$ 0.97	\$ 0.84
Diluted	\$ 0.95	\$ 0.83
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING		
Basic	10,091,576	10,071,844
Diluted	10,336,733	10,160,350

GLADSTONE CAPITAL CORPORATION
FINANCIAL HIGHLIGHTS
(UNAUDITED)

	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003
Per Share Data (1)		
Net asset value at beginning of period	\$ 12.71	\$ 13.09
Net investment income	0.45	0.31
Realized gain on sale of investment	-	-
Net unrealized gain/(loss) on investments	0.10	(0.07)
Issuance of common stock under stock option plan	(0.01)	-
Distributions from net investment income	(0.34)	(0.29)
Repayment of principal on notes receivable	-	-
Net asset value at end of period	\$ 12.91	\$ 13.04
Per share market value at beginning of period	\$ 22.41	\$ 16.18
Per share market value at end of period	20.15	20.48
Total Return (2) (3)	-5.73%	28.37%
Shares outstanding at end of period	10,113,444	10,071,844
Ratios/Supplemental Data		
Net assets at end of period	\$ 130,668,575	\$ 131,353,022
Average net assets	\$ 128,285,309	\$ 132,823,516
Ratio of operating expenses to average net assets - annualized	6.59%	2.86%
Ratio of net investment income to average net assets - annualized	14.33%	7.18%

	Nine Months Ended June 30, 2004	Nine Months Ended June 30, 2003
Per Share Data (1)		
Net asset value at beginning of period	\$ 12.97	\$ 12.97
Net investment income	1.06	0.84
Realized gain on sale of investment	-	-
Net unrealized loss on investments	(0.08)	-
Issuance of common stock under stock option plan	(0.04)	-
Distributions from net investment income	(1.01)	(0.77)
Repayment of principal on notes receivable	0.01	-
Net asset value at end of period	\$ 12.91	\$ 13.04
Per share market value at beginning of period	\$ 19.45	\$ 16.88
Per share market value at end of period	20.15	20.48

Total Return (2) (3)	8.61%	25.89%
Shares outstanding at end of period	10,113,444	10,071,844
Ratios/Supplemental Data		
Net assets at end of period	\$ 130,668,575	\$ 131,353,022
Average net assets	\$ 128,269,663	\$ 132,170,641
Ratio of operating expenses to average net assets - annualized	4.56%	2.74%
Ratio of net investment income to average net assets - annualized	11.08%	8.54%

- (1) Basic per share data.
- (2) Amounts were not annualized for the results of the three and nine month periods ended June 30, 2004 and June 30, 2003.
- (3) Total return equals the increase of the ending market value over the beginning market value plus monthly distributions divided by the monthly beginning market value.

SOURCE Gladstone Capital Corp.

-0- 08/10/2004

/CONTACT: Harry Brill, Chief Financial Officer, or Skye Breeden, Director of Shareholder Relations, of Gladstone Capital Corp., +1-703-286-7000/
 /Web site: <http://www.gladstonecapital.com/>
 (GLAD)

CO: Gladstone Capital Corp.

ST: Virginia

IN: FIN

SU: ERN CCA