

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 6, 2007

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

Maryland (State or other jurisdiction of incorporation)	814-00237 (Commission File Number)	54-2040781 (IRS Employer Identification No.)
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1521 Westbranch Drive, Suite 200 McLean, Virginia (Address of principal executive offices)	22102 (Zip Code)
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Registrant's telephone number, including area code: (703) 287-5800

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 August 6, 2007, Gladstone Capital Corporation issued a press release announcing its financial results for the third quarter ended June 30, 2007. 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 are deemed to be furnished and shall not be deemed to be filed.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

Exhibit No. -----	Description -----
99.1	Press release dated August 6, 2007

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.

August 6, 2007

Gladstone Capital Corporation
(Registrant)
By: /s/ Harry Brill

(Harry Brill, Chief Financial Officer)

Exhibit No.
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Description
- - - - -

99.1

Press release dated August 6, 2007

Gladstone Capital Reports Results for the Third Quarter Ended June 30, 2007

- Net Investment Income was \$5.7 million, or \$0.42 per diluted common share
- Net Increase in Net Assets was \$6.0 million, or \$0.44 per diluted common share

Business Editors

MCLEAN, Va.--(BUSINESS WIRE)--Aug. 6, 2007--Gladstone Capital Corp. (NASDAQ:GLAD) (the "Company") today announced earnings for the third quarter and nine months ended June 30, 2007. All per share references are based on fully diluted weighted average common shares outstanding, unless otherwise noted.

Net Investment Income for the third quarter ended June 30, 2007 was \$5,704,867, or \$0.42 per share, as compared to \$4,788,082, or \$0.41 per share, for the third quarter ended June 30, 2006, an increase of 2.4% per share. Net Investment Income for the nine months ended June 30, 2007 was \$16,592,150, or \$1.31 per share, as compared to \$14,434,312, or \$1.25 per share, for the nine months ended June 30, 2006, an increase of 4.8%.

Net Increase in Net Assets Resulting from Operations for the quarter ended June 30, 2007 was \$5,964,600, or \$0.44 per share, as compared to \$5,543,076, or \$0.48 per share, for the quarter ended June 30, 2006, a decrease of 8.3% per share. Net Increase in Net Assets Resulting from Operations for the nine months ended June 30, 2007 was \$14,213,054, or \$1.12 per share, as compared to \$19,366,806, or \$1.68 per share, for the nine months ended June 30, 2006, a decrease of 33.3% per share. The primary difference between the current and prior year periods is the result of net unrealized appreciation and depreciation on the Company's investment portfolio. The Company recorded net unrealized appreciation on its investments of \$256,613 for the quarter ended June 30, 2007, and net unrealized depreciation of \$2,465,915 for the nine months ended June 30, 2007, as compared to net unrealized appreciation on its investments of \$812,991 and \$5,769,820 for the quarter and nine months ended June 30, 2006, respectively.

Total assets were \$378,610,750 at June 30, 2007, as compared to \$225,783,215 at September 30, 2006. Net asset value was \$15.11 per actual common share outstanding at June 30, 2007, as compared to \$14.02 per actual common share outstanding at September 30, 2006.

The annualized weighted average yield on the Company's portfolio for the quarter ended June 30, 2007 was 11.8% as compared to 11.7% for the quarter ended June 30, 2006.

For the third quarter ended June 30, 2007, the Company reported the following activity:

- Purchased a portfolio of media and communication loans for approximately \$63.3 million;
- Funded approximately \$62.8 million of additional new investments;
- Received principal repayments of approximately \$37.6 million, which included scheduled principal repayments, full repayments, and syndicate sales;
- Received approximately \$515,000 of success fees;
- Completed a public offering of 2,000,000 shares of common stock at a price of \$24.25 per share for net proceeds, after underwriting discounts and offering expenses, of approximately \$45.7 million, all of which were used to repay outstanding borrowings on the Company's line of credit; and
- Paid monthly cash dividends of \$0.14 per common share for each of the months of April, May and June.

At June 30, 2007, the Company had investments in debt and equity securities and syndicated loan participations in 59 private companies with an aggregate cost basis of approximately \$370.0 million and a fair value of approximately \$368.9 million.

"We were successful in building our assets during the third quarter and nine months ended June 30, 2007. We are excited about our purchase of loans to media and broadcasting companies and the results

of our direct origination business," said Chip Stelljes, President and Chief Investment Officer. "We expect the increase in assets to yield positive results for the remainder of fiscal year 2007."

Subsequent to June 30, 2007, the Company:

- Declared monthly cash dividends of \$0.14 per common share for each of the months of July, August and September 2007; and
- Completed an offering of 400,000 shares of common stock at a price of \$20.41 per share for proceeds of approximately \$8.2 million, all of which were used to repay outstanding borrowings on the Company's line of credit.

The financial statements below are without footnotes. We have filed a Form 10-Q today for the third quarter ended June 30, 2007 with the Securities and Exchange Commission (the "SEC"), which can be retrieved from the SEC's website at www.sec.gov or from the Company's web site at www.GladstoneCapital.com. A paper copy can be obtained free of charge by writing to us at 1521 Westbranch Drive, Suite 200, McLean, VA 22102.

The Company will hold a conference call Tuesday, August 7, 2007 at 8:30 am EDT to discuss third quarter earnings. Please call (877) 407-8031 to enter the conference. An operator will monitor the call and set a queue for the questions. The conference call replay will be available two hours after the call for approximately 30 days. To hear the replay, please dial (877) 660-6853, access playback account 286 and use conference ID code 249395.

The live audio broadcast of Gladstone Capital's quarterly conference call will be available online at www.GladstoneCapital.com and www.investorcalendar.com. The event will be archived and available for replay on the Company's website until November 8, 2007.

For further information contact Rob Johnson at 703-287-5835.

This press release may include statements that may constitute "forward-looking statements," including statements with regard to the future performance of the Company. Words such as "should," "believes," "feel," "expects," "projects," "strive," "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 prospectus dated July 5, 2007, as filed with the Securities and Exchange Commission on July 5, 2007. 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.

GLADSTONE CAPITAL CORPORATION
 CONSOLIDATED STATEMENTS OF ASSETS & LIABILITIES
 (Unaudited)

	June 30, 2007	September 30, 2006
	-----	-----
ASSETS		
Investments at fair value (Cost 6/30/2007: \$369,975,398; 9/30/2006: \$216,202,986)	\$368,949,247	\$217,642,750
Cash and cash equivalents	3,491,495	731,744
Interest receivable - investments in debt securities	2,221,606	1,394,942
Interest receivable - employees	32,739	37,396
Due from custodian	3,129,891	3,587,152
Deferred financing fees	246,333	145,691
Prepaid assets	186,643	226,747
Due from employees	-	1,803,283
Other assets	352,796	213,510
	-----	-----
TOTAL ASSETS	\$378,610,750	\$225,783,215
	=====	=====

LIABILITIES		
Accounts payable	\$ 5,160	\$ 4,072
Interest payable	516,780	247,530
Administration fee due to Administrator	186,895	-
Fees due to Adviser	404,240	240,363
Borrowings under line of credit	161,188,000	49,993,000

Withholding taxes payable	-	1,803,283
Accrued expenses and deferred liabilities	854,322	721,287
Funds held in escrow	202,433	203,193
	-----	-----
TOTAL LIABILITIES	163,357,830	53,212,728
	-----	-----
NET ASSETS	\$215,252,920	\$172,570,487
	=====	=====

ANALYSIS OF NET ASSETS

Common stock, \$0.001 par value, 50,000,000 shares authorized and 14,249,683 and 12,305,008 shares issued and outstanding, respectively	\$ 14,250	\$ 12,305
Capital in excess of par value	225,449,718	181,270,565
Notes receivable - employees	(9,947,366)	(10,248,308)
Net unrealized appreciation on investments	(1,026,151)	1,439,764
Unrealized depreciation on derivative	(279,593)	(253,716)
Realized loss on sale of investments	(780,197)	(861,695)
Realized gain on settlement of derivative	46,212	15,014
Accumulated undistributed net investment income	1,776,047	1,196,558
	-----	-----
TOTAL NET ASSETS	\$215,252,920	\$172,570,487
	=====	=====
NET ASSETS PER SHARE	\$ 15.11	\$ 14.02
	=====	=====

GLADSTONE CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30, 2007	2006
	-----	-----
INVESTMENT INCOME		
Interest income - investments	\$ 8,911,643	\$ 5,775,522
Interest income - cash and cash equivalents	109,269	8,178
Interest income - notes receivable from employees	132,795	108,877
Prepayment fees and other income	47,572	630,239
	-----	-----
Total investment income	9,201,279	6,522,816
	-----	-----
EXPENSES		
Interest expense	1,762,249	702,449
Loan servicing	897,634	693,965
Base management fee	727,259	334,814
Incentive fee	1,166,529	-
Administration fee	186,895	-
Professional fees	148,609	166,405
Amortization of deferred financing fees	72,133	36,036
Stockholder related costs	39,434	28,371
Directors fees	56,250	27,500
Insurance expense	66,246	50,589
Stock option compensation	-	202,296
Other expenses	82,062	35,083
	-----	-----
Expenses before credit from Adviser	5,205,300	2,277,508
	-----	-----
Credit to base management and incentive fees from Adviser	(1,708,888)	(542,774)
	-----	-----
Total expenses net of credits to base management and incentive fees	3,496,412	1,734,734
	-----	-----
NET INVESTMENT INCOME	5,704,867	4,788,082
	-----	-----
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Realized loss on sale of investments	(5,021)	(100,850)
Realized gain on settlement of derivative	8,405	1,367
Unrealized (depreciation) appreciation on derivative	(264)	41,486
Net unrealized appreciation on investments	256,613	812,991
	-----	-----
Net gain on investments	259,733	754,994
	-----	-----
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 5,964,600	\$ 5,543,076

NET INCREASE IN NET ASSETS RESULTING FROM
OPERATIONS PER COMMON SHARE:

Basic	\$ 0.44	\$ 0.49
Diluted	\$ 0.44	\$ 0.48

WEIGHTED AVERAGE SHARES OF COMMON STOCK
OUTSTANDING:

Basic	13,561,511	11,337,291
Diluted	13,561,511	11,570,425

GLADSTONE CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Nine Months 2007	Ended June 30, 2006
INVESTMENT INCOME		
Interest income - investments	\$25,064,702	\$ 18,497,893
Interest income - cash and cash equivalents	178,183	21,714
Interest income - notes receivable from employees	403,917	323,003
Prepayment fees and other income	431,973	711,225
Total investment income	26,078,775	19,553,835
EXPENSES		
Interest expense	4,693,525	2,302,693
Loan servicing	2,377,409	2,144,024
Base management fee	1,806,075	955,894
Incentive fee	3,474,007	-
Administration fee	481,746	-
Professional fees	368,610	399,758
Amortization of deferred financing fees	198,633	94,572
Stockholder related costs	190,450	273,170
Directors fees	167,470	81,712
Insurance expense	191,338	151,956
Stock option compensation	-	279,618
Other expenses	219,522	151,663
Expenses before credit from Adviser	14,168,785	6,835,060
Credit to base management and incentive fees from Adviser	(4,682,160)	(1,765,774)
Total expenses net of credits to base management and incentive fees	9,486,625	5,069,286
NET INVESTMENT INCOME BEFORE INCOME TAXES	16,592,150	14,484,549
Income tax expense	-	50,237
NET INVESTMENT INCOME	16,592,150	14,434,312
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on sale of investments	81,498	(903,945)
Realized gain on settlement of derivative	31,198	1,367
Unrealized (depreciation) appreciation on derivative	(25,877)	65,252
Net unrealized (depreciation) appreciation on investments	(2,465,915)	5,769,820
Net (loss) gain on investments	(2,379,096)	4,932,494
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$14,213,054	\$ 19,366,806
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER COMMON SHARE:		
Basic	\$ 1.12	\$ 1.71
Diluted	\$ 1.12	\$ 1.68

WEIGHTED AVERAGE SHARES OF COMMON STOCK

OUTSTANDING:

Basic	12,701,845	11,317,437
Diluted	12,701,845	11,549,054

GLADSTONE CAPITAL CORPORATION

FINANCIAL HIGHLIGHTS

(Unaudited)

Three Months Ended June 30,
2007 2006

Per Share Data (1)

Net asset value at beginning of period	\$ 13.82	\$ 13.84
Income from investment operations:		
Net investment income (2)	0.42	0.42
Realized gain (loss) on sale of investments (2)	-	(0.01)
Net unrealized gain on investments (2)	0.02	0.07
Net unrealized gain on derivatives (2)	-	0.01
Total from investment operations	0.44	0.49
Less distributions:		
Distributions from net investment income	(0.42)	(0.41)
Total distributions	(0.42)	(0.41)
Issuance of common stock under shelf offering	1.50	-
Offering costs and underwriting discount	(0.23)	-
Issuance of common stock under stock option plan	-	0.10
Repayment of principal on notes receivable	-	0.01
Dilutive effect of share issuance	-	(0.08)
Net asset value at end of period	\$ 15.11	\$ 13.95

Per share market value at beginning of period	\$ 23.68	\$ 21.55
Per share market value at end of period	21.46	21.39
Total return (3) (4)	-7.69%	1.11%
Shares outstanding at end of period	14,249,683	11,384,363

Ratios/Supplemental Data

Net assets at end of period	\$215,252,920	\$158,785,756
Average net assets (5)	\$197,994,217	\$156,053,816
Ratio of expenses to average net assets-annualized (6)	10.52%	5.83%
Ratio of net expenses to average net assets-annualized (7)	7.06%	4.45%
Ratio of net investment income to average net assets-annualized	11.53%	12.27%

Nine Months Ended June 30,
2007 2006

Per Share Data (1)

Net asset value at beginning of period	\$ 14.02	\$ 13.41
Income from investment operations:		
Net investment income (2)	1.31	1.28
Realized loss on sale of investments (2)	-	(0.08)
Net unrealized (loss) gain on investments (2)	(0.19)	0.51
Total from investment operations	1.12	1.71
Less distributions:		
Distributions from net investment income	(1.26)	(1.22)
Total distributions	(1.26)	(1.22)
Issuance of common stock under shelf offering	1.50	-
Offering costs and underwriting discount	(0.23)	-

Issuance of common stock under stock option plan	-	0.10
Repayment of principal on notes receivable	0.02	0.01
Stock surrendered to settle withholding tax obligation	(0.06)	-
Dilutive effect of share issuance	-	(0.06)
	-----	-----
Net asset value at end of period	\$ 15.11	\$ 13.95
	=====	=====

Per share market value at beginning of period	\$ 22.01	\$ 22.55
Per share market value at end of period	21.46	21.39
Total return (3) (4)	2.92%	0.35%
Shares outstanding at end of period	14,249,683	11,384,363

Ratios/Supplemental Data

Net assets at end of period	\$215,252,920	\$158,785,756
Average net assets (5)	\$179,127,176	\$153,804,303
Ratio of expenses to average net assets-annualized (6)	10.55%	5.97%
Ratio of net expenses to average net assets-annualized (7)	7.06%	4.44%
Ratio of net investment income to average net assets-annualized	12.35%	12.51%

(1) Based on actual shares outstanding at the end of the corresponding period.

(2) Based on weighted average basic per share data.

(3) Total return equals the increase of the ending market value over the beginning market value plus monthly dividends divided by the monthly beginning market value, assuming monthly dividend reinvestment.

(4) Amounts were not annualized.

(5) Average net assets are computed using the average of the balance of net assets at the end of each month of the reporting period.

(6) Ratio of expenses to average net assets is computed using expenses before credits from Adviser to the base management and incentive fees and including income tax expense.

(7) Ratio of net expenses to average net assets is computed using total expenses net of credits from Adviser to the base management and incentive fees and including income tax expense.

CONTACT: Gladstone Capital Corp.
Rob Johnson, 703-287-5835