

CAPSTEAD MORTGAGE CORP

Form 424B5

November 16, 2007

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Filed pursuant to Rule 424(b)(5)  
Registration No. 333-143390

**Prospectus Supplement  
(To prospectus dated August 10, 2007)**

**8,000,000 Shares**

**Capstead Mortgage Corporation**

**Common Stock**

We are offering 8,000,000 shares of our common stock to be sold in this offering.

Our common stock is subject to certain restrictions on ownership designed to preserve our qualification as a real estate investment trust for federal income tax purposes. See **Description of Our Capital Stock** on page 3 of the accompanying prospectus.

Our common stock is listed on the New York Stock Exchange under the symbol **CMO**. The last reported sale price of our common stock on the New York Stock Exchange on November 15, 2007 was \$10.73 per share.

**Investing in our common stock involves risks that are described under the caption **Risk Factors** beginning on page 28 of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2007.**

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$ 10.7300	\$ 85,840,000
Underwriting discounts and commissions	\$ 0.5365	\$ 4,292,000
Proceeds, before expenses, to us	\$ 10.1935	\$ 81,548,000

We have granted the underwriters a 30-day option to purchase up to 1,200,000 additional shares to cover any over-allotments.

The shares will be ready for delivery on or about November 21, 2007.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

***Joint Book-Running Managers***

**Bear, Stearns & Co. Inc.**

**JMP Securities**

**Keefe, Bruyette & Woods**

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**RBC Capital Markets**

The date of this prospectus supplement is November 15, 2007.

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**IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the base prospectus. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. Unless otherwise indicated, all information presented in this prospectus supplement assumes that the underwriters' option to purchase up to 1,200,000 shares of common stock to cover over-allotments is not exercised.