



## American Capital Agency Corp. Announces Launch of Initial Public Offering

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BETHESDA, Md., April 28 /PRNewswire-FirstCall/ -- American Capital Agency Corp. (the Company) announced today that it plans to conduct an initial public offering of its common stock. American Capital Agency Corp. expects to offer 12,500,000 shares to the public at the proposed initial public offering price of \$20.00 per share, for gross proceeds of \$250 million. The Company will grant the underwriters a 30-day option to purchase up to 1,875,000 shares of common stock at the initial public offering price, less underwriting discounts, to cover over-allotments, if any. American Capital Agency Corp. has received approval, subject to official notice of issuance, to list its common stock on The NASDAQ Global Market under the symbol AGNC. The completion of the proposed offering depends upon several factors, including market and other conditions.

The Company plans to use all of the net proceeds of the initial public offering to invest in single-family residential mortgage pass-through securities and collateralized mortgage obligations for which the principal and interest payments are guaranteed by a U.S. Government agency or a U.S. Government-sponsored entity, or agency securities.

Citi and Merrill Lynch & Co. will act as joint book-runners of the proposed offering. Credit Suisse, Deutsche Bank Securities and Morgan Stanley will act as joint lead managers, with Banc of America Securities LLC, HSBC, JMP Securities and RBC Capital Markets acting as co-managers for the offering.

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet been declared effective. These securities may not be sold nor may offers to buy these securities be accepted prior to the time the registration statement becomes effective.

This press release is neither an offer to sell nor a solicitation of an offer to buy shares of common stock in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. The offering of these securities will be made only by means of a prospectus. When available, a copy of the preliminary prospectus may be obtained from Citi, Brooklyn Army Terminal, 140 58th Street, 8th Floor, Brooklyn, New York 11220, telephone number: 800-831-9146 or Merrill Lynch & Co., Attention: Prospectus Department, 4 World Financial Center, New York, NY 10080, telephone number: 212-449-1000.

### ABOUT AMERICAN CAPITAL AGENCY CORP.

American Capital Agency Corp. is a newly-organized Delaware corporation formed to invest exclusively in single-family residential mortgage pass-through securities and collateralized mortgage obligations for which the principal and interest payments are guaranteed by a U.S. Government agency or a U.S. Government-sponsored entity. The Company will be externally managed and advised by American Capital Agency Management, LLC, a subsidiary of a wholly-owned portfolio company of American Capital Strategies, Ltd. (Nasdaq: ACAS). The Company will elect to be taxed, and intends to qualify, as a real estate investment trust for federal income tax purposes.

This press release contains certain forward-looking statements about the Company's proposed initial public offering of its common stock. Forward-looking statements include statements regarding the market for the common stock and anticipated future results and can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as believe, expect, anticipate, estimate and intend or future or conditional verbs such as will, would, should, could or may. Certain factors that could cause actual results to differ materially from expected results include delays in consummation of the offering and concurrent transactions, general economic conditions, market conditions, conditions in the market for agency securities, and legislative and regulatory changes that could adversely affect the business of the Company.

SOURCE American Capital Agency Corp.

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