



## American Capital Agency Corp. Prices Initial Public Offering of Common Stock

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BETHESDA, Md., May 15 /PRNewswire-FirstCall/ -- American Capital Agency Corp. (the Company) (Nasdaq: AGNC) announced today that it has priced its initial public offering of 10,000,000 shares of its common stock at \$20.00 per share for total gross proceeds of \$200 million. All of the shares are being offered directly by American Capital Agency Corp. The Company has granted the underwriters a 30-day option to purchase up to 1,500,000 shares of common stock at the initial public offering price, less underwriting discounts, to cover over-allotments, if any. American Capital Agency Corp.'s common stock will begin trading on The NASDAQ Global Market under the symbol AGNC on May 15, 2008. The offering is subject to customary closing conditions and is expected to close on May 20, 2008.

Concurrently with the Company's initial public offering, American Capital Strategies, Ltd. (American Capital) (Nasdaq: ACAS) has agreed to purchase \$100 million (or 5,000,000 shares) of the Company's common stock at the initial public offering price in a private placement.

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. are the joint book-runners for the offering. Credit Suisse, Deutsche Bank Securities and Morgan Stanley are joint lead managers and Banc of America Securities LLC, HSBC, JMP Securities and RBC Capital Markets are co-managers for the offering.

A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission.

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 final 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. 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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