



American Capital Agency Declares \$0.31 Dividend

June 23, 2008

BETHESDA, Md., June 23 /PRNewswire-FirstCall/ -- American Capital Agency Corp. (American Capital Agency or the Company) (Nasdaq: AGNC) announced today that its Board of Directors has declared a cash dividend of \$0.31 per share for the shortened stub period from the closing of the Company's initial public offering (IPO) and concurrent private placement on May 20, 2008 through June 30, 2008. The second quarter 2008 dividend is payable on July 29, 2008 to common shareholders of record as of July 2, 2008, with an ex-dividend date of June 30, 2008.

On May 20, 2008, the Company raised over \$286 million in net proceeds from its IPO and concurrent private placement, commented Malon Wilkus, Chairman, President and CEO. Since then, the Company has invested these net proceeds, along with proceeds from borrowings under repurchase agreements with 12 global financial institutions, in approximately \$2.5 billion of agency securities. On average, the portfolio was deployed for approximately 27 days during the stub period. With the successful deployment of our capital, we are pleased to be in a position to declare our inaugural dividend of \$0.31 per share and expect that this will be the first of many attractive dividends for our shareholders for years to come.

ABOUT AMERICAN CAPITAL AGENCY

American Capital Agency is a real estate investment trust (REIT) formed in 2008 to invest exclusively in agency 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 is externally managed and advised by American Capital Agency Management, LLC, a wholly-owned subsidiary of a wholly-owned portfolio company of American Capital Strategies, Ltd. (American Capital) (Nasdaq: ACAS).

ABOUT AMERICAN CAPITAL

With \$21 billion in capital resources under management⁽¹⁾, American Capital is the only private equity fund and alternative asset management company in the S&P 500. American Capital, both directly and through its global asset management business, is an investor in management and employee buyouts, private equity buyouts and early stage and mature private and public companies. American Capital provides senior debt, mezzanine debt and equity to fund growth, acquisitions, recapitalizations and securitizations. American Capital and its affiliates invest from \$5 million to \$800 million per company in North America and euro 5 million to euro 500 million per company in Europe.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. Forward-looking statements are not guarantees of future performance and are subject to various factors and uncertainties in predicting future results and conditions. Forward-looking statements 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 changes in interest rates, changes in the yield curve, changes in prepayment rates, the availability and terms of financing, changes in the market value of our assets, 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. For a discussion of the risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see Risk Factors in the Company's Registration Statement on Form S-11, as amended, filed with the Securities and Exchange Commission on May 14, 2008 (the Registration Statement). The Company disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement for any reason, except as otherwise required by law. Persons considering an investment in the Company should consider the investment objectives, risks and charges and expenses of the Company carefully before investing. Such information and other information about the Company is available in the Company's Registration Statement filed with the Securities and Exchange Commission. Copies are available on the SEC's website, www.sec.gov. Prospective investors should read such material carefully before investing.

(1) Capital resources under management is an estimate of internally and externally managed assets and available capital resources as of May 31, 2008 and does not include any fair value adjustments subsequent to March 31, 2008.

SOURCE American Capital Agency Corp.

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