

ANNALY CAPITAL MANAGEMENT INC
 Form 424B5
 March 09, 2007

Filed Pursuant to Rule 424(b)(5)
 Registration No. 333-134404

CALCULATION OF REGISTRATION FEE

| Title of each class of securities to be registered | Amount to be registered | Proposed maximum offering price per unit | Proposed maximum aggregate offering price | Amount of registration fee ⁽¹⁾ |
|--|-------------------------|--|---|---|
| Common Stock | 57,500,000 | \$13.50 | \$776,250,000 | \$23,830.88 |

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended (or the Securities Act).

Payment of the registration fee at the time of filing of the registration statement on May 23, 2006 was deferred pursuant to Rule 456(b) of the Securities Act and paid herewith.

PROSPECTUS SUPPLEMENT

(To prospectus dated May 23, 2006)

50,000,000 Shares

Annaly Capital Management, Inc.

Common Stock

We are offering 50,000,000 shares of our common stock to be sold in this offering. We expect to receive approximately \$675 million in aggregate gross proceeds plus up to approximately \$101.25 million in additional aggregate gross proceeds if the underwriters' overallotment is exercised in full. The last reported sales price of our common stock on March 7, 2007 was \$13.63 per share.

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 Common Stock and Preferred Stock" on page 4 of the accompanying prospectus.

Our common stock is listed on the New York Stock Exchange under the symbol "NLY."

Investing in our common stock involves risks that are described under the caption "Risk Factors" beginning on page S-9 and under the caption "Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, which is incorporated by reference in the accompanying prospectus.

| | Per Share | Total |
|-----------------------|-----------|---------------|
| Public offering price | \$13.50 | \$675,000,000 |
| Underwriting discount | \$.675 | \$33,750,000 |

March 7, 2007
