



Dear Investor:

CapitalSource Inc. has appointed American Stock Transfer & Trust Company (“AST&T”) to administer our Dividend Reinvestment and Stock Purchase Plan. The primary purpose of the Plan is to provide current stockholders and interested new investors with an economical and convenient way to increase their investment in CapitalSource Inc. Participation in the Plan allows you to purchase common stock of CapitalSource Inc., in some cases at a discount from the market price, and to reinvest your cash dividends without paying any fees and at a discount, if any, from the market price. You may participate directly in the Plan if you hold common stock of CapitalSource Inc. in your name, or, if you hold shares through a brokerage or other custodial account, you may arrange to have your broker or other custodian participate on your behalf. If you do not own any common stock of CapitalSource Inc., you can participate in the Plan by making an initial investment of \$100 through the Plan without paying fees.

You can enroll in the Plan at any time. If you wish to reinvest dividends, AST&T generally must receive a completed enrollment form on or before the record date for such quarterly dividend.

The shares represented by stock certificates that you currently hold may be deposited directly into the Plan for safekeeping and sale. You may also withdraw or transfer all or a portion of your shares held in the Plan at any time. There are fees associated with certain features of the Plan, which are outlined within the prospectus for the Plan.

Please read the prospectus for the complete details of the Plan. If you have additional questions after reading through this material, please contact:

American Stock Transfer & Trust Company
Dividend Reinvestment Department
59 Maiden Lane
New York, NY 10038
Tel: (866) 673-8057 (toll free)
www.amstock.com

To enroll in the Plan, complete and return the enrollment application or simply log on to www.amstock.com and make an initial purchase.

Thank you for your continued interest in CapitalSource Inc.