

Armour Residential REIT, Inc.
 Form 424B5
 February 08, 2013

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-182583

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Amount to be Registered (1)	Proposed	Proposed	Amount of Registration Fee (2)
		Maximum Offering Price Per Share	Maximum Aggregate Offering Price (1)	
7.875% Series B Cumulative Redeemable Preferred Stock (Liquidation Preference \$25.00 per share)	6,210,000	\$ 25.00	\$ 155,250,000	\$ 21,177

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- (1) Assumes exercise in full of the underwriters' option to purchase up to 810,000 additional shares of 7.875% Series B Cumulative Redeemable Preferred Stock.
 (2) Calculated in accordance with Rule 457(r) under the Securities Act, as amended.

PROSPECTUS SUPPLEMENT

(To Prospectus Dated July 9, 2012)

5,400,000 Shares

7.875% Series B Cumulative Redeemable Preferred Stock

(Liquidation Preference \$25.00 Per Share)

ARMOUR Residential REIT, Inc. is offering to the public 5,400,000 shares of our 7.875% Series B Cumulative Redeemable Preferred Stock, which we refer to in this prospectus supplement as the Series B Preferred Stock. This is an original issuance of the Series B Preferred Stock. We will pay monthly cumulative dividends on the Series B Preferred Stock on the 27th day of each month (provided that if any dividend payment date is not a business day, then the dividend which would otherwise have been payable on that dividend payment date may be paid on the next succeeding business day) from, and including, the date of original issuance at 7.875% of the \$25.00 per share liquidation preference per annum (equivalent to \$1.96875 per annum per share). The first dividend payable on March 27, 2013 in the amount of \$0.2461 per share will be paid to the persons who are the holders of record of the Series B Preferred Stock at the close of business on March 15, 2013.

The Series B Preferred Stock will not be redeemable before February 12, 2018 except under circumstances intended to preserve our qualification as a real estate investment trust, or REIT, for federal income tax purposes and except as described below upon the occurrence of a Change of Control (as defined herein). On or after February 12, 2018 we may, at our option, redeem any or all of the shares of the Series B Preferred Stock at \$25.00 per share plus any accumulated and unpaid dividends to, but not including, the redemption date. In addition, upon the occurrence of a Change of Control, we may, at our option, redeem any or all of the shares of Series B Preferred Stock within 120 days after the first date on which such Change of Control occurred at \$25.00 per share plus any accumulated and unpaid dividends to, but not including, the redemption date. The Series B Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless repurchased or redeemed by us or converted into our common stock in connection with a Change of Control by the holders of Series B Preferred Stock.

Upon the occurrence of a Change of Control, each holder of Series B Preferred Stock will have the right (subject to our election to redeem the Series B Preferred Stock in whole or in part, as described above, prior to the Change of Control Conversion Date (as defined herein)) to convert some or all of the Series B Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of our common stock per share of Series B Preferred Stock equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of the Series B Preferred Stock plus the amount of any accumulated and unpaid dividends thereon to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date (as defined herein) and prior to the corresponding dividend payment date (as defined herein) for the Series B Preferred Stock, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Common Stock Price (as defined herein); and

6.9638 (the Share Cap), subject to certain adjustments as explained herein;

in each case, on the terms and subject to the conditions described in this prospectus supplement, including provisions for the receipt, under specified circumstances, of alternative consideration as described in this prospectus supplement.

No current market exists for the Series B Preferred Stock. We have applied to list the Series B Preferred Stock on The New York Stock Exchange, or NYSE, under the symbol ARR PrB. If the application is approved, trading of the Series B Preferred Stock on NYSE is expected to begin within 30 days after the date of initial issuance of the Series B Preferred Stock. Our Series A Preferred Stock is traded on the NYSE under the symbol ARR PrA and our common stock is traded on the NYSE under the symbol ARR.

There are restrictions on ownership of the Series B Preferred Stock intended to preserve our qualification as a REIT. Please see the sections entitled Description of the Series B Preferred Stock Restrictions on Ownership and Transfer in this prospectus supplement and Description of Capital Stock Restrictions on Ownership and Transfer in the accompanying prospectus. In addition, except under limited circumstances as described in this prospectus supplement, holders of the Series B Preferred Stock generally do not have any voting rights.

The Series B Preferred Stock has not been rated. Investing in the Series B Preferred Stock involves a high degree of risk. See Risk Factors beginning on page S-7 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total⁽¹⁾
Public offering price	\$ 25.00	\$ 135,000,000
Underwriting discount	\$ 0.7875	\$