



FOR IMMEDIATE RELEASE

EAGLE CAPITAL GROWTH FUND---

- *Declares Year-End Cash Dividend of \$1.05 Per Share*
- *Receives 5-Star Rating from Morningstar*

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MILWAUKEE, WI (December 5, 2011) ---The Eagle Capital Growth Fund, Inc. ("Fund") (NYSE Amex: GRF) today declared a year-end cash dividend of \$1.05 per share. The record date for this dividend is December 16, 2011, and the payment date is December 27, 2011.

On a preliminary basis, this dividend represents a combination of net investment income of \$0.1012 per share, and long-term capital gains of \$0.9488 per share. The net investment income is derived solely from "qualified" dividends for U.S. Federal income tax purposes. This preliminary tax information is subject to change. Shareholders will receive definitive information with respect to U.S. Federal income tax treatment in the ordinary course. In addition, shareholders can access definitive tax information by going to the Fund's website after year-end.

The Fund recently received a 5-star Morningstar rating\*, the highest possible designation. With its 5-star rating, the Fund's investment performance places it within the top 10% of managers pursuing similar investment strategies. "We are obviously thrilled to receive Morningstar's highest rating," said Luke E. Sims, the Fund's President, CEO and portfolio co-manager, "since Morningstar is the recognized authority in the field. Since we took over investment responsibility for the Fund in mid-2007, we've put our disciplined investment strategy to work. It's heartening to see our efforts pay off."

Fund portfolio co-manager David C. Sims also welcomed the Morningstar news: "When we assumed responsibility for the Fund it held a 2-star rating. We've pursued our patient, conservative investment philosophy for the past four years, and our new 5-star rating from Morningstar reflects our success to date. Going forward, we remain committed to research, and to continue the disciplined execution of the investment principles enunciated by Benjamin Graham and refined by Warren Buffett."

The Fund is a closed-end investment company that invests primarily in high quality growth companies. The Fund currently holds a 5-star rating from Morningstar, Inc.\* To learn more about the Fund, please go to the Fund's website: [www.eaglecapitalgrowthfund.com](http://www.eaglecapitalgrowthfund.com)

If you have a question about the year-end dividend or other Fund matter, please contact David C. Sims, the Fund's Chief Financial Officer and Chief Compliance Officer, at (414) 765-1107, or by e-mail to: [dave@simscapital.com](mailto:dave@simscapital.com)

**\*Past performance does not guarantee future results. Performance represents past performance; future performance may be lower or higher. The investment return and principal value will fluctuate so that an investment, in the future, may be worth more or less than the original cost.**

**Morningstar, Inc. rates mutual funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds. Within each Morningstar category, the top 10% of funds receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Funds are rated for up to three time periods---three-, five- and 10 years---and these ratings are combined to produce an overall rating. Ratings are objective, based entirely on a mathematical evaluation of past performance.**

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