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FOR IMMEDIATE RELEASE

Capital Bank Corporation Declares Cash Dividend on Common Stock

RALEIGH, N.C. – December 19, 2008 – Capital Bank Corporation (Nasdaq: CBKN) announced that its Board of Directors approved on Thursday, December 18, 2008, a quarterly cash dividend on its common stock of \$.08 per share. The dividend will be paid on or after January 26, 2009 to shareholders of record as of January 12, 2009.

Capital Bank Corporation, headquartered in Raleigh, N.C., with approximately \$1.6 billion in total assets, offers a broad range of financial services. Capital Bank operates 32 banking offices in Asheville (4), Burlington (4), Cary, Clayton, Fayetteville (3), Graham (2), Hickory, Mebane, Morrisville, Oxford, Parkton, Pittsboro, Raleigh (5), Sanford (3), Siler City, Wake Forest and Zebulon. The Company's website is <http://www.capitalbank-nc.com>.

Information in this press release contains forward-looking statements. These statements involve risks and uncertainties that could cause actual results to differ materially, including without limitation, the effects of future economic conditions, governmental fiscal and monetary policies, legislative and regulatory changes, the risks of changes in interest rates, and the effects of competition. Additional factors that could cause actual results to differ materially are discussed in Capital Bank Corporation's filings with the Securities and Exchange Commission, including without limitation its Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. Capital Bank Corporation does not undertake a duty to update any forward-looking statements in this press release.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): December 18, 2008



CAPITAL BANK CORPORATION
(Exact name of registrant as specified in its charter)

North Carolina
*(State or other jurisdiction of
incorporation)*

000-30062
*(Commission
File Number)*

56-2101930
*(IRS Employer
Identification No.)*

333 Fayetteville Street, Suite 700
Raleigh, North Carolina 27601
(Address of principal executive offices) (Zip Code)

(919) 645-6400
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- £ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- £ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- £ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- £ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

On December 18, 2008, the Board of Directors of Capital Bank Corporation declared a cash dividend of \$0.08 per share payable on or after January 26, 2009 to shareholders of record on January 12, 2009. The full text of the press release announcing the declaration of dividend is set forth in Exhibit 99.1 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description of Document
Exhibit 99.1	<u>Press release dated December 19, 2008</u>

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 19, 2008

CAPITAL BANK CORPORATION

By: /s/ B. Grant Yarber

B. Grant Yarber

President and Chief Executive Officer

Exhibit Index

Exhibit No.	Description of Document
Exhibit 99.1	<u>Press release dated December 19, 2008</u>

