ARES CAPITAL CORP
Form 497
August 13, 2009

QuickLinks -- Click here to rapidly navigate through this document

The information in this prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission. This prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus Supplement dated August 13, 2009

Filed pursuant to Rule 497
Registration No. 333-158211

PROSPECTUS SUPPLEMENT
(To Prospectus dated June 26, 2009)

8,000,000 Shares

Common Stock

We are offering for sale 8,000,000 shares of our common stock. These shares are being offered at a discount from our most recently determined net asset value per share of $11.21 pursuant to the authority granted by our common stockholders at the annual meeting of stockholders held on May 4, 2009. Our current authority to offer shares at a price below net asset value per share ends on the earlier of May 4, 2010 and the date of our 2010 annual stockholders meeting. Sales of common stock at prices below net asset value per share dilute the interests of existing stockholders, have the effect of reducing our net asset value per share and may reduce our market price per share. See "Risk Factors" beginning on page 20 of the accompanying prospectus and "Sales of Common Stock Below Net Asset Value" on page S-33 of this prospectus supplement and on page 135 of the accompanying prospectus.

Ares Capital Corporation is a specialty finance company that is a closed-end, non-diversified management investment company incorporated in Maryland. We have elected to be regulated as a business development company under the Investment Company Act of 1940. Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in first and second lien senior loans and mezzanine debt, which in some cases includes an equity component. To a lesser extent, we also make equity investments.

We are externally managed by Ares Capital Management LLC, an affiliate of Ares Management LLC, an SEC registered investment adviser and alternative asset investment management firm that as of June 30, 2009 managed investment funds with approximately $29 billion of committed capital. Ares Operations LLC, an affiliate of Ares Management LLC, provides the administrative services necessary for us to operate.

Our common stock is traded on The NASDAQ Global Select Market under the symbol "ARCC." On August 12, 2009, the last reported sales price of our common stock on The NASDAQ Global Select Market was $9.77 per share. The net asset value per share of our common stock at June 30, 2009 (the last date prior to the date of this prospectus supplement on which we determined net asset value) was $11.21.

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 20 of the accompanying prospectus, including the risk of leverage.

This prospectus supplement and the accompanying prospectus concisely provide important information you should know before investing in our common stock. Please read this prospectus supplement and the accompanying prospectus before you invest and

keep it for future reference. Our Internet address is *www.arescapitalcorp.com*. We make available free of charge on our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission or the "SEC." The SEC also maintains a website at *www.sec.gov* that contains such information.

	Per Share	Total
Public offering price	$	$
Underwriting discount (sales load)	$	$
Proceeds, before expenses, to Ares Capital Corporation(1)	$	$

(1) Before deducting expenses payable by us related to this offering, estimated at $.

The underwriters may also purchase up to an additional 1,200,000 shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover overallotments. If the underwriters exercise this option in full, the total public offering price will be $, the total underwriting discount (sales load) paid by us will be $, and total proceeds, before expenses, will be $.

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

The shares will be ready for delivery on or about , 2009.

Joint Bookrunners

J.P. Morgan **Wells Fargo Securities** **Citi** **UBS Investment Bank**

Co-Managers

SunTrust Robinson Humphrey

BMO Capital Markets

Stifel Nicolaus

The date of this prospectus supplement is , 2009.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front cover of this prospectus supplement or such prospectus, as applicable. Our business, financial condition, results of operations and prospects may have changed since that date.

Prospectus Supplement
TABLE OF CONTENTS

Prospectus
TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus supplement and the accompanying prospectus constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this prospectus involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the return or impact of investments that we expect to make;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of fluctuations in interest rates on our business;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- our ability to recover unrealized losses;
- our ability to access alternative debt markets and additional capital;
- our contractual arrangements and relationships with third parties;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments;
- our ability to successfully integrate any acquisitions;
- the adequacy of our cash resources and working capital;
- the timing, form and amount of any dividend distributions;
- the timing of cash flows, if any, from the operations of our portfolio companies; and
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments.

We use words such as "anticipates," "believes," "expects," "intends," "will," "should," "may" and similar expressions to identify forward-looking statements. Our actual results could differ materially from those projected in the forward-looking statements for any reason, including the factors set forth in "Risk Factors" and elsewhere in this prospectus supplement or the accompanying prospectus.

We have based the forward-looking statements included in this prospectus supplement on information available to us on the date of this prospectus supplement, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

You should understand that under Section 27A(b)(2)(B) of the Securities Act of 1933 (the "Securities Act") and Section 21E(b)(2)(B) of the Exchange Act, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 do not apply to statements made in connection with this offering.

THE COMPANY

This summary highlights some of the information contained elsewhere in this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read carefully the more detailed information set forth under "Risk Factors" and the other information included in this prospectus supplement and the accompanying prospectus. Except where the context suggests otherwise, the terms "we," "us," "our," "the Company" and "Ares Capital" refer to Ares Capital Corporation and its subsidiaries; "Ares Capital Management" or "investment adviser" refers to Ares Capital Management LLC; "Ares Administration" refers to Ares Operations LLC; and "Ares" refers to Ares Partners Management Company LLC and its affiliated companies, including Ares Management LLC.

Ares Capital

Ares Capital Corporation, a Maryland corporation, is a specialty finance company that is a closed-end, non-diversified management investment company. We have elected to be regulated as a business development company, or a "BDC," under the Investment Company Act of 1940, or the "Investment Company Act." We were founded on April 16, 2004, were initially funded on June 23, 2004 and completed our initial public offering on October 8, 2004. Ares Capital's investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in U.S. middle market companies, where we believe the supply of primary capital is limited and the investment opportunities are most attractive. However, we may from time to time invest in larger companies. In this prospectus, we generally use the term "middle market" to refer to companies with annual EBITDA (earnings before interest, taxes, depreciation and amortization) of between $10 million and $250 million.

We invest primarily in first and second lien senior loans and mezzanine debt, which in some cases includes an equity component like warrants. First and second lien senior loans generally are senior debt instruments that rank ahead of subordinated debt of a given portfolio company. These loans also have the benefit of security interests on the assets of the portfolio company, which may rank ahead of or be junior to other security interests. Mezzanine debt is subordinated to senior loans and is generally unsecured. Our debt investments have ranged between $10 million and $100 million each, although the investment sizes may be more or less than the targeted range and are expected to grow with our capital availability. We also, to a lesser extent, make equity investments. Our equity investments have generally been less than $20 million each but may grow with our capital availability and are usually made in conjunction with loans we make to these portfolio companies.

The proportion of these investments will change over time given our views on, among other things, the economic and credit environment we are operating in. In connection with our investing activities, we may make commitments with respect to indebtedness or securities of a potential portfolio company substantially in excess of our final investment. In such situations, while we may initially agree to fund up to a certain dollar amount of an investment, we may syndicate a portion of such amount to third parties prior to closing such investment, such that we make a smaller investment than what was reflected in our original commitment.

The first and second lien senior loans generally have stated terms of three to 10 years and the mezzanine debt investments generally have stated terms of up to 10 years, but the expected average life of such first and second lien loans and mezzanine debt is generally between three and seven years. However, we may invest in securities with any maturity or duration. The debt that we invest in typically is not initially rated by any rating agency, but we believe that if such investments were rated, they would be below investment grade (rated lower than "Baa3" by Moody's Investors Service or lower than "BBB-" by Standard & Poor's Corporation). We may invest without limit in debt of any rating, as well as debt that has not been rated by any nationally recognized statistical rating organization.

We believe that our investment adviser, Ares Capital Management, is able to leverage Ares' current investment platform, resources and existing relationships with financial sponsors, financial institutions, hedge funds and other investment firms to provide us with attractive investments. In addition to deal flow, the Ares investment platform assists our investment adviser in analyzing, structuring and monitoring investments. Ares has been in existence for more than 11 years and its senior principals have an average of over 20 years experience investing in senior loans, high yield bonds, mezzanine debt and private equity securities. The Company has access to the Ares staff of approximately 100 investment professionals and to the approximately 150 administrative professionals employed by Ares who provide assistance in accounting, legal, compliance, operations, technology and investor relations.

While our primary focus is to generate current income and capital appreciation through investments in first and second lien senior loans and mezzanine debt and, to a lesser extent, equity securities of eligible portfolio companies, we also may invest up to 30% of our portfolio in opportunistic investments of non-eligible portfolio companies. Specifically, as part of this 30% basket, we may invest in debt of middle market companies located outside of the United States, in investment funds that are operating pursuant to certain exceptions to the Investment Company Act, in advisers to similar investment funds and in debt and equity of public companies that do not meet the definition of eligible portfolio companies because their market capitalization of publicly traded equity securities exceeds the levels provided for in the Investment Company Act. We expect that these public companies generally will have debt that may be non-investment grade. From time to time we may also invest in high yield bonds, which, depending on the issuer, may or may not be included in the 30% basket.

In addition to making investments in the Ares Capital portfolio, our portfolio company, Ivy Hill Asset Management L.P. ("IHAM"), manages two unconsolidated senior debt funds, Ivy Hill Middle Market Credit Fund, Ltd. ("Ivy Hill I") and Ivy Hill Middle Market Credit Fund II, Ltd. ("Ivy Hill II" and, together with Ivy Hill I, the "Ivy Hill Funds") and serves as the sub-adviser/sub-manager for four others: Firstlight Funding I, Ltd., Colts 2005-1 Ltd., Colts 2005-2 Ltd. and Colts 2007-1 Ltd. As of June 30, 2009, IHAM had total committed capital under management of over $2.0 billion.

About Ares

Founded in 1997, Ares is an SEC registered investment adviser and alternative asset investment management firm with approximately $29 billion of total committed capital and over 250 employees as of June 30, 2009.

Ares specializes in originating and managing assets in both the leveraged finance and private equity markets. Ares' leveraged finance activities include the acquisition and management of senior loans, high yield bonds, mezzanine debt and special situation investments. Ares' private equity activities focus on providing flexible, junior capital to middle market companies. Ares has the ability to invest across a capital structure, from senior floating rate debt to common equity. This flexibility, combined with Ares' "buy and hold" philosophy, enables Ares to structure an investment to meet the specific needs of a company rather than the less flexible demands of the public markets.

Ares is comprised of the following groups:

> **Private Debt Group.** The Ares Private Debt Group manages the assets of Ares Capital and Ares' private debt middle market financing activities in Europe, Ares Capital Europe. The Private Debt Group focuses primarily on non-syndicated first and second lien senior loans and mezzanine debt, which in some cases may include an equity component. The Private Debt Group also makes equity investments in private middle market companies, usually in conjunction with loans.

Capital Markets Group. The Ares Capital Markets Group manages a variety of funds and investment vehicles that managed approximately $17.6 billion of committed capital as of June 30, 2009, focusing primarily on syndicated senior secured loans, high yield bonds, distressed debt, other liquid fixed income investments and other publicly traded debt securities.

Private Equity Group. The Ares Private Equity Group manages Ares Corporate Opportunities Fund L.P., Ares Corporate Opportunities Fund II, L.P. and Ares Corporate Opportunities Fund III, L.P. (collectively referred to as "ACOF"), which together managed approximately $6.1 billion of committed capital as of June 30, 2009. ACOF generally makes private equity investments in companies substantially larger than the private equity investments anticipated to be made by the Company. The Private Equity Group generally focuses on control-oriented equity investments in under-capitalized companies or companies with capital structure issues.

Ares' senior principals have been working together as a group for many years and have an average of over 20 years of experience in leveraged finance, private equity, distressed debt, investment banking and capital markets. They are backed by a large team of highly-disciplined professionals. Ares' rigorous investment approach is based upon an intensive, independent financial analysis, with a focus on preservation of capital, diversification and active portfolio management. These fundamentals underlie Ares' investment strategy and have resulted in large pension funds, banks, insurance companies, endowments and high net worth individuals investing in Ares' funds.

Ares Capital Management

Ares Capital Management, our investment adviser, is served by a dedicated origination and transaction development team of approximately 30 investment professionals led by the partners of Ares Capital Management, Michael Arougheti, Eric Beckman, Kipp deVeer, Mitchell Goldstein and Michael Smith. Ares Capital Management leverages off of Ares' entire investment platform and benefits from the significant capital markets, trading and research expertise of all of Ares' investment professionals. Ares funds currently hold over 600 investments in over 30 different industries and have made investments in over 1,600 companies since inception. Ares Capital Management's investment committee has nine members, including Senior Partners of Ares.

Recent Developments

On July 21, 2009, we entered into an agreement with Wachovia Bank, National Association ("Wachovia") to establish a new revolving facility (the "Wachovia Revolving Facility" or the "CP Funding II Facility") whereby Wachovia agreed to extend credit to us in an aggregate principal amount not exceeding $200 million at any one time outstanding. The Wachovia Revolving Facility is scheduled to expire on July 21, 2012 (plus two one-year extension options, subject to mutual consent) and the interest charged on the Wachovia Revolving Facility is based on LIBOR plus 4.00%. We are required to pay a commitment fee on any unused portion of the Wachovia Revolving Facility of between 0.50% and 2.50% depending on the usage level and we paid Wachovia a structuring fee of 1.5% of the total facility amount, or $3.0 million.

As of August 5, 2009, we had made one equity investment of $0.1 million since June 30, 2009. As of August 5, 2009, we exited $12.7 million of investments since June 30, 2009. Of these investments, 21% were senior secured debt and 79% were senior subordinated debt. The weighted average yield at amortized cost on these investments was 15.5%, and 96% of the investments were at a fixed rate.

On August 6, 2009, we declared a quarterly dividend of $0.35 per share to stockholders of record as of the close of business on September 15, 2009, payable on September 30, 2009.

As previously announced, at the end of June, we commenced a private offering to a limited number of "accredited investors" within the meaning of Regulation D of the Securities Act of up to $250 million of interests in a private debt fund. The private debt fund would have invested principally in newly originated and secondary senior secured debt and was expected to purchase a warrant from us at fair value to purchase up to 20% of our common stock at an exercise price equal to the greater of the net asset value per share and the trading price of our common stock on the day before the warrant was issued. We have currently abandoned this potential private placement and ceased all offering activity in connection with it as of August 10, 2009. As such, any offers to buy or sell securities in the potential private placement were rejected or withdrawn or otherwise not accepted by us. This prospectus supplement and the accompanying base prospectus supersede any offering materials used in the abandoned private placement.

Finally, we believe that the dislocation in the credit markets has created compelling risk adjusted returns in both the primary and secondary markets. Further, the current dislocation and illiquidity in the credit markets has also increased the likelihood of further consolidation in our industry. To that end, over the past 12-18 months we have evaluated (and expect to continue to evaluate in the future) a number of potential strategic acquisition opportunities, including acquisitions of:

- asset portfolios;

- contracts to manage collateralized loan obligation, or CLO, vehicles and other investment vehicles; and

- other private and public finance companies or asset managers.

For example, in June 2009 our portfolio company IHAM completed the acquisition of contracts to sub-manage approximately $770 million of middle market loan assets in three CLO vehicles managed by affiliates of Wells Fargo & Company. IHAM also acquired certain equity interests in these three CLOs.

We have been and continue to be currently engaged in discussions with counterparties in respect of various potential strategic acquisition and investment transactions, including potential acquisitions of other finance companies. Some of these transactions could be material to our business and, if consummated, could be difficult to integrate, result in increased leverage or dilution and/or subject us to unexpected liabilities. However, none of these discussions has progressed to the point where the consummation of any such transaction could be deemed to be probable or reasonably certain as of the date of this prospectus supplement. Consummation of any such transaction will be subject to completion of due diligence, finalization of key business and financial terms (including price) and negotiation of final definitive documentation as well as a number of other factors and conditions including, without limitation, the approval of our board of directors (after having determined that such transaction is in the best interest of our stockholders), any required third party consents and, in certain cases, the approval of our stockholders. We cannot predict how quickly the terms of any such transaction could be finalized, if at all. Accordingly, there can be no assurance that definitive documentation for any such transaction would be executed or even if executed, that any such transaction will be consummated. In connection with evaluating potential strategic acquisition and investment transactions, we have, and may in the future, incur significant expenses for the evaluation and due diligence investigation of these potential transactions.

Our Corporate Information

Our administrative offices are located at 2000 Avenue of the Stars, 12th Floor, Los Angeles, California, 90067, telephone number (310) 201-4200, and our executive offices are located at 280 Park Avenue, 22nd Floor, Building East, New York, New York 10017, telephone number (212) 750-7300.

FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in our common stock will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this prospectus supplement or accompanying prospectus contains a reference to fees or expenses paid by "you," "us," "the Company" or "Ares Capital," or that "we" will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in Ares Capital.

Stockholder transaction expenses (as a percentage of offering price):	
Sales load paid by us	4.50%(1)
Offering expenses borne by us	0.38%(2)
Dividend reinvestment plan expenses	None (3)
Total stockholder transaction expenses paid by us	4.88%
Estimated annual expenses (as a percentage of consolidated net assets attributable to common stock)(4):	
Management fees	2.64%(5)
Incentive fees payable under investment advisory and management agreement (20% of realized capital gains and 20% of pre-incentive fee net investment income, subject to certain limitations)	2.70%(6)
Interest payments on borrowed funds	2.24%(7)
Other expenses	1.64%(8)
Acquired fund fees and expenses	0.03%(9)
Total annual expenses (estimated)	9.25%(10)

---

(1) The underwriting discounts and commissions with respect to the shares sold in this offering, which is a one-time fee, is the only sales load paid in connection with this offering.

(2) Amount reflects estimated offering expenses of approximately $0.3 million and based on the 8,000,000 shares offered in this offering.

(3) The expenses of the dividend reinvestment plan are included in "other expenses."

(4) "Consolidated net assets attributable to common stock" equals net assets at June 30, 2009 plus the anticipated net proceeds from this offering.

(5) Our management fee is currently 1.5% of our total assets other than cash and cash equivalents (which includes assets purchased with borrowed amounts). For the purposes of this table, we have assumed that we maintain no cash or cash equivalents and that the management fee will remain at 1.5% as set forth in our current investment advisory and management agreement. We may from time to time decide it is appropriate to change the terms of the agreement. Under the Investment Company Act, any material change to our investment advisory and management agreement must be submitted to stockholders for approval. The 2.64% reflected on the table is calculated on our net assets (rather than our total assets). See "Management Investment Advisory and Management Agreement" in the accompanying prospectus.

(6) This item represents our investment adviser's incentive fees based on annualizing actual amounts earned on our pre-incentive fee net income for the six months ended June 30, 2009 and assumes that the incentive fees earned at the end of the 2009 calendar year will be based on the actual realized capital gains as of June 30, 2009, computed net of realized capital losses and unrealized capital depreciation. It also assumes that this fee will remain constant although it is based on our performance and will not be paid unless we achieve certain goals. We expect to invest or otherwise

utilize all of the net proceeds from this offering within three months of the date of this offering and may have capital gains and interest income that could result in the payment of an incentive fee to our investment adviser in the first year after completion of this offering. Since our inception, the average quarterly incentive fee payable to our investment adviser has been approximately 0.58% of our weighted net assets (2.33% on an annualized basis). For more detailed information about incentive fees previously incurred by us, please see Note 3 to our consolidated financial statements for the period ended June 30, 2009.

The incentive fee consists of two parts:

The first, payable quarterly in arrears, equals 20% of our pre-incentive fee net investment income (including interest that is accrued but not yet received in cash), subject to a 2.00% quarterly (8% annualized) hurdle rate and a "catch-up" provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, our investment adviser receives no incentive fee until our net investment income equals the hurdle rate of 2.00% but then receives, as a "catch-up," 100% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 2.50%. The effect of this provision is that, if pre-incentive fee net investment income exceeds 2.50% in any calendar quarter, our investment adviser will receive 20% of our pre-incentive fee net investment income as if a hurdle rate did not apply.

The second part, payable annually in arrears for each calendar year ending on or after December 31, 2004, equals 20% of our realized capital gains on a cumulative basis from inception through the end of the year, if any, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees.

We will defer cash payment of any incentive fee otherwise earned by our investment adviser if, during the most recent four full calendar quarter period ending on or prior to the date such payment is to be made, the sum of (a) our aggregate distributions to our stockholders and (b) our change in net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) is less than 8.0% of our net assets at the beginning of such period. These calculations will be adjusted for any share issuances or repurchases.

See "Management Investment Advisory and Management Agreement" in the accompanying prospectus.

(7)

"Interest payments on borrowed funds" represents an estimate of our annualized interest expenses based on actual interest and credit facility expense incurred for the six months ended June 30, 2009. During the six months ended June 30, 2009, our average borrowings were $882.7 million and cash paid for interest expense was $12.1 million. We had outstanding borrowings of $879.3 million at June 30, 2009. This item is based on our assumption that our borrowings and interest costs after an offering will remain similar to those prior to such offering. The amount of leverage that we employ at any particular time will depend on, among other things, our investment adviser's and our board of directors' assessment of market and other factors at the time of any proposed borrowing. See "Risk Factors Risks Relating to our Business We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing with us" in the accompanying prospectus.

(8)

Includes our overhead expenses, including payments under the administration agreement based on our allocable portion of overhead and other expenses incurred by Ares Administration in performing its obligations under the administration agreement. Such expenses are based on annualized "Other expenses" for the six months ended June 30, 2009. See "Management

Administration Agreement" in the accompanying prospectus. The holders of shares of our common stock (and not the holders of our debt securities or preferred stock, if any) indirectly bear the cost associated with our annual expenses.

(9) The Company's stockholders indirectly bear the expenses of underlying investment companies in which the Company invests. This amount includes the fees and expenses of investment companies in which the Company is invested in as of June 30, 2009. Certain of these investment companies are subject to management fees, which generally range from 1% to 2.5% of total net assets, or incentive fees, which generally range between 15% to 25% to net profits. When applicable, fees and expenses are based on historic fees and expenses for the investment companies and for those investment companies with little or no operating history, fees and expenses are based on expected fees and expenses stated in the investment companies' offering memorandum, private placement memorandum or other similar communication without giving effect to any performance. Future fees and expenses for these investment companies may be substantially higher or lower because certain fees and expenses are based on the performance of the investment companies, which may fluctuate over time. The amount of the Company's average net assets used in calculating this percentage was based on average monthly net assets of $1.1 billion for the six months ended June 30, 2009.

(10) "Total annual expenses" as a percentage of consolidated net assets attributable to common stock are higher than the total annual expenses percentage would be for a company that is not leveraged. We borrow money to leverage our net assets and increase our total assets. The SEC requires that the "Total annual expenses" percentage be calculated as a percentage of net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period), rather than the total assets, including assets that have been funded with borrowed monies. If the "Total annual expenses" percentage were calculated instead as a percentage of consolidated total assets, our "Total annual expenses" would be 5.26% of consolidated total assets.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we would have no additional leverage, that none of our assets are cash or cash equivalents, and that our annual operating expenses would remain at the levels set forth in the table above. Transaction expenses are not included in the following example. In the event that shares to which this prospectus relates are sold to or through underwriters, a corresponding prospectus supplement will restate this example to reflect the applicable sales load.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return(1)	$ 67	$ 198	$ 324	$ 622

(1) The above illustration assumes that we will not realize any capital gains computed net of all realized capital losses and unrealized capital depreciation. The expenses you would pay, based on a $1,000 investment and assuming a 5% annual return resulting entirely from net realized capital gains (and therefore subject to the capital gain incentive fee), and otherwise making the same assumptions in the example above, would be: 1 year, $77; 3 years, $226; 5 years, $369; and 10 years, $698. However, cash payment of the capital incentive fee would be deferred if during the most recent four full calendar quarter period ending on or prior to the date the payment set forth in the example is to be made, the sum of (a) our aggregate distributions to our stockholders and (b) our change in net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) was less than 8.0% of our net assets at the beginning of such period (as adjusted for any share issuances or repurchases).

The foregoing table is to assist you in understanding the various costs and expenses that an investor in our common stock will bear directly or indirectly. While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. The incentive fee under the investment advisory and management agreement, which, assuming a 5% annual return, would either not be payable or have an insignificant impact on the expense amounts shown above, is not included in the example. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, our expenses, and returns to our investors, would be higher. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, if our board of directors authorizes and we declare a cash dividend, participants in our dividend reinvestment plan who have not otherwise elected to receive cash will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the dividend. See "Dividend Reinvestment Plan" in the accompanying prospectus. for additional information regarding our dividend reinvestment plan.

This example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown.

SELECTED FINANCIAL AND OTHER DATA

The following selected financial and other data for the years ended December 31, 2008, 2007, 2006 and 2005, and for the period from June 23, 2004 (inception) through December 31, 2004 are derived from our consolidated financial statements, which have been audited by KPMG LLP, an independent registered public accounting firm whose report thereon is included elsewhere in the accompanying prospectus. The selected financial and other data for the six months ended June 30, 2009 and other quarterly financial information is derived from our unaudited financial statements, but in the opinion of management, reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results of such interim periods. Interim results as of and for the six months ended June 30, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009. The data should be read in conjunction with our consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities," which are included elsewhere in the accompanying prospectus.

ARES CAPITAL CORPORATION AND SUBSIDIARIES
SELECTED FINANCIAL DATA
As of and For the Six Months Ended June 30, 2009 and 2008, As of and For the Years Ended December 31, 2008, 2007, 2006 and 2005 and As of and For the Period June 23, 2004 (inception) Through December 31, 2004
(dollar amounts in thousands, except per share data and as otherwise indicated)

	As of and For the Six Months Ended June 30, 2009	As of and For the Six Months Ended June 30, 2008	As of and For the Year Ended December 31, 2008	As of and For the Year Ended December 31, 2007	As of and For the Year Ended December 31, 2006	As of and For the Year Ended December 31, 2005	As of and For the Period June 23, 2004 (inception) Through December 31, 2004
Total Investment Income	$ 115,127	$ 115,671	$ 240,461	$ 188,873	$ 120,021	$ 41,850	$ 4,381
Net Realized and Unrealized Gains (Losses) on Investments, Foreign Currencies and Extinguishment of Debt	7,639	(49,596)	(266,447)	(4,117)	13,064	14,727	475
Total Expenses	52,870	53,821	113,221	94,751	58,458	14,569	1,666
Income Tax Expense (Benefit), Including Excise Tax	109	(184)	248	(826)	4,931	158	
Net Increase (Decrease) in Stockholders' Equity Resulting from Operations	$ 69,787	$ 12,438	$ (139,455)	$ 90,832	$ 69,695	$ 41,851	$ 3,190
Per Share Data:							
Net Increase (Decrease) in Stockholder's Equity Resulting from Operations:							
Basic(1):	$ 0.72	$ 0.15	$ (1.56)	$ 1.34	$ 1.58	$ 1.75	$ 0.28
Diluted(1):	$ 0.72	$ 0.15	$ (1.56)	$ 1.34	$ 1.58	$ 1.75	$ 0.28
Cash Dividend Declared:	$ 0.77	$ 0.84	$ 1.68	$ 1.66	$ 1.64	$ 1.30	$ 0.30
Total Assets	$ 2,047,055	$ 2,201,056	$ 2,091,333	$ 1,829,405	$ 1,347,991	$ 613,645	$ 220,456
Total Debt	$ 879,255	$ 847,734	$ 908,786	$ 681,528	$ 482,000	$ 18,000	$ 55,500
Total Stockholders' Equity	$ 1,088,722	$ 1,328,548	$ 1,094,879	$ 1,124,550	$ 789,433	$ 569,612	$ 159,708
Other Data:							
Number of Portfolio Companies at Period End(2)	94	87	91	78	60	38	20
Principal Amount of Investments Purchased(3)	$ 154,281	$ 814,721	$ 925,945	$ 1,251,300	$ 1,087,507	$ 504,299	$ 234,102
Principal Amount of Investments Sold and Repayments(4)	$ 165,967	$ 226,182	$ 485,270	$ 718,695	$ 430,021	$ 108,415	$ 52,272
Total Return Based on Market Value(5)	39.65%	(25.36)%	(45.25)%	(14.76)%	29.12%	(10.60)%	31.53%
Total Return Based on Net Asset Value(6)	6.37%	0.98%	(11.17)%	8.98%	10.73%	12.04%	(1.80)%
Weighted Average Yield of Debt and Income Producing Equity Securities at Fair Value(7):	12.60%	11.28%	12.79%	11.68%	11.95%	11.25%	12.36%
Weighted Average Yield of Debt and Income Producing Equity Securities at Amortized Cost(7):	11.68%	11.03%	11.73%	11.64%	11.63%	11.40%	12.25%

(1) In accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share, the weighted average shares of common stock outstanding used in computing basic and diluted earnings per common share have been adjusted retroactively by a factor of 1.02% to recognize the bonus element associated with rights to acquire shares of common stock that we issued to stockholders of record as of March 24, 2008 in connection with a rights offering.

(2) Includes commitments to portfolio companies for which funding has yet to occur.

(3) The information presented for the period June 23, 2004 (inception) through December 31, 2004 includes $140.8 million of the assets purchased from Royal Bank of Canada and excludes $9.7 million of publicly traded fixed income securities.

(4) The information presented for the period June 23, 2004 (inception) through December 31, 2004 excludes $9.7 million of publicly traded fixed income securities.

(5) Total return based on market value for the six months ended June 30, 2009 equals the decrease of the ending market value at June 30, 2009 of $8.06 per share over the ending market value at December 31, 2008 of $6.33 per share, plus the declared dividends of $0.35 per share for the six months ended June 30, 2009, divided by the market value at December 31, 2008. Total return based on market value for the six months ended June 30, 2008 equals the decrease of the ending market value at June 30, 2008 of $10.08 per share over the ending market value at December 31, 2007 of $14.63 per share, plus the declared dividends of $0.84 per share for the six months ended June 30, 2008, divided by the market value at December 31, 2007. Total return based on market value for the year ended December 31, 2008 equals the decrease of the ending market value at December 31, 2008 of $6.33 per share over the ending market value at December 31, 2007 of $14.63 per share plus the declared dividends of $1.68 per share for the year ended December 31, 2008. Total return based on market value for the year ended December 31, 2007 equals the decrease of the ending market value at December 31, 2007 of $14.63 per share over the ending market value at December 31, 2006 of $19.11 per share plus the declared dividends of $1.66 per share for the year ended December 31, 2007. Total return based on market value for the year ended December 31, 2006 equals the increase of the ending market value at December 31, 2006 of $19.11 per share over the ending market value at December 31, 2005 of $16.07 per share plus the declared dividends of $1.64 per share for the year ended December 31, 2006. Total return based on market value for the year ended December 31, 2005 equals the decrease of the ending market value at December 31, 2005 of $16.07 per share over the ending market value at December 31, 2004 of $19.43 per share plus the declared dividends of $1.30 per share for the year ended December 31, 2005. Total return based on market value for the period June 23, 2004 (inception) through December 31, 2004 equals the increase of the ending market value at December 31, 2004 of $19.43 per share over the offering price of $15.00 per share plus the declared dividend of $0.30 per share (includes return of capital of $0.01 per share) for holders of record on December 27, 2004, divided by the offering price. Total return based on market value is not annualized. The Company's shares fluctuate in value. The Company's performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(6) Total return based on net asset value for the six months ended June 30, 2009 equals the change in net asset value during the period plus the declared dividends of $0.42 per share for the three months ended March 31, 2009 and $0.35 per share for the three months ended June 30, 2009, divided by the beginning net asset value during the period. Total return based on net asset value for the six months ended June 30, 2008 equals the change in net asset value during the period (adjusted for share issuances) plus the declared dividends of $0.84 per share for the six months ended June 30, 2008, divided by the beginning net asset value during the period. Total return based on net asset value for the year ended December 31, 2008 equals the change in net asset value during the period (adjusted for share issuances) plus the declared dividends of $1.68 per share for the year ended December 31, 2008, divided by the beginning net asset value. Total return based on net asset value for the year ended December 31, 2007 equals the change in net asset value during the period (adjusted for share issuances) plus the declared dividends of $1.66 per share for the year ended December 31, 2007, divided by the beginning net asset value. Total return based on net asset value for the year ended December 31, 2006 equals the change in net asset value during the period (adjusted for share issuances) plus the declared dividends of $1.64 per share for the year ended December 31, 2006, divided by the beginning net asset value. Total return based on net asset value for the year ended December 31, 2005 equals the change in net asset value during the period (adjusted for share issuances) plus the declared dividends of $1.30 per share for the year ended December 31, 2005, divided by the beginning net asset value. Total return based on net asset value for the period June 23, 2004 (inception) through December 31, 2004 equals the change in net asset value during the period plus the declared dividend of $0.30 per share (includes return of capital of $0.01 per share) for holders of record on December 27, 2004, divided by the beginning net asset value. Total return based on net asset value is not annualized. The Company's performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(7) Weighted average yield on debt and income producing equity securities at fair value is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount on accruing debt divided by (b) total income producing equity securities and debt at fair value. Weighted average yield on debt and income producing equity securities at amortized cost is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount on accruing debt divided by (b) total income producing equity securities and debt at amortized cost.

SELECTED QUARTERLY DATA (Unaudited)
(dollar amounts in thousands, except per share data)

	2009	
	Q2	**Q1**
Total Investment Income	$59,111	$56,016
Net investment income before net realized and unrealized gain (losses) and incentive compensation	$39,935	$37,750
Incentive compensation	$ 7,987	$ 7,550
Net investment income before net realized and unrealized gain (losses)	$31,948	$30,200
Net realized and unrealized gains (losses)	$ 2,805	$ 4,834
Net increase (decrease) in stockholders' equity resulting from operations	$34,753	$35,034
Basic and diluted earnings per common share	$ 0.36	$ 0.36
Net asset value per share as of the end of the quarter	$ 11.21	$ 11.20

	2008			
	Q4	**Q3**	**Q2**	**Q1**
Total Investment Income	$ 62,723	$ 62,067	$ 63,464	$ 52,207
Net investment income before net realized and unrealized gain (losses) and incentive compensation	$ 40,173	$ 41,025	$ 45,076	$ 32,466
Incentive compensation	$ 8,035	$ 8,205	$ 9,015	$ 6,493
Net investment income before net realized and unrealized gain (losses)	$ 32,138	$ 32,820	$ 36,061	$ 25,973
Net realized and unrealized gains (losses)	$(142,638)	$(74,213)	$(32,789)	$(16,807)
Net increase (decrease) in stockholders' equity resulting from operations	$(110,500)	$(41,393)	$ 3,272	$ 9,166
Basic and diluted earnings per common share	$ (1.14)	$ (0.43)	$ 0.04	$ 0.13
Net asset value per share as of the end of the quarter	$ 11.27	$ 12.83	$ 13.67	$ 15.17

	2007			
	Q4	**Q3**	**Q2**	**Q1**
Total Investment Income	$ 53,828	$47,931	$47,399	$39,715
Net investment income before net realized and unrealized gain (losses) and incentive compensation	$ 33,677	$29,875	$31,220	$23,699
Incentive compensation	$ 6,573	$ 5,966	$ 6,229	$ 4,755
Net investment income before net realized and unrealized gain (losses)	$ 27,104	$23,909	$24,991	$18,944
Net realized and unrealized gains (losses)	$(16,353)	$ (984)	$ 8,576	$ 4,645
Net increase (decrease) in stockholders' equity resulting from operations	$ 10,752	$22,924	$33,567	$23,589
Basic and diluted earnings per common share	$ 0.15	$ 0.32	$ 0.48	$ 0.44
Net asset value per share as of the end of the quarter	$ 15.47	$ 15.74	$ 15.84	$ 15.34

USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of 8,000,000 shares of our common stock in this offering will be approximately $74.3 million (or approximately $85.5 million if the underwriters fully exercise their overallotment option), in each case assuming a public offering price of $9.29 per share, after deducting the underwriting discounts and commissions of $3.5 million (or approximately $4.0 million if the underwriters fully exercise their overallotment option) payable by us and estimated offering expenses of approximately $0.3 million payable by us. The amount of net proceeds may be more or less than the amount described in this prospectus supplement depending on the public offering price of the common stock and the actual number of shares of common stock we sell in the offering, both of which will be determined at pricing.

We expect to use substantially all of the net proceeds of this offering for general corporate purposes, including to repay outstanding revolving indebtedness under the JPM Revolving Facility ($376.1 million outstanding as of August 11, 2009) and to fund investments in accordance with our investment objective and the strategies described in the accompanying prospectus. We expect investments made with these proceeds, if any, to occur within 90 days of our receipt of the net proceeds from this offering. As we've noted, we believe that as of the date of this prospectus, the severe dislocation in the credit markets has resulted in reduced competition, a widening of interest spreads, increased fees and generally more conservative capital structures and deal terms. After we repay outstanding revolving indebtedness under the JPM Revolving Facility, we intend to use the increased borrowings available under the JPM Revolving Facility to fund additional investments to take advantage of these opportunities. The interest charged on the indebtedness incurred under the JPM Revolving Facility is based on LIBOR (one, two, three or six month) plus 1.00%, generally. As of August 11, 2009, the one, two, three and six month LIBOR were 0.27%, 0.32%, 0.45% and 0.89%, respectively. The JPM Revolving Facility expires on December 28, 2010.

Our primary focus is to generate current income and capital appreciation through investments in first and second lien senior loans and mezzanine debt, and, to a lesser extent, equity securities of eligible portfolio companies. In addition to such investments, we may invest up to 30% of our portfolio in opportunistic investments of non-eligible portfolio companies. As part of this 30%, we may invest in debt of middle market companies located outside of the United States. Pending such investments, we will invest a portion of the net proceeds primarily in cash, cash equivalents, U.S. government securities and other high-quality short-term investments. These securities may earn yields substantially lower than the income that we anticipate receiving once we are fully invested in accordance with our investment objective. As a result, we may not be able to achieve our investment objective and/or pay any dividends during this period or, if we are able to do so, such dividends may be substantially lower than the dividends that we expect to pay when our portfolio is fully invested. If we do not realize yields in excess of our expenses, we may incur operating losses and the market price of our shares may decline. See "Regulation Temporary Investments" in the accompanying prospectus for additional information about temporary investments we may make while waiting to make longer-term investments in pursuit of our investment objective.

PRICE RANGE OF COMMON STOCK AND DISTRIBUTIONS

Our common stock is traded on The NASDAQ Global Select Market under the symbol "ARCC." Our common stock has historically traded at prices both above and below its net asset value. It is not possible to predict whether the common stock offered hereby will trade at, above, or below net asset value. See "Risk Factors Risks Relating to Offerings Pursuant to this Prospectus Our shares of common stock currently trade at a discount from net asset value and may continue to do so in the future, which limits our ability to raise additional equity capital" in the accompanying prospectus.

The following table sets forth the net asset value per share of our common stock, the range of high and low closing sales prices of our common stock as reported on The NASDAQ Global Select Market, the closing sales price as a percentage of net asset value and the dividends or distributions declared by us for each fiscal quarter since our initial public offering. On August 12, 2009, the last reported closing sales price of our common stock on The NASDAQ Global Select Market was $9.77 per share, which represented a discount of approximately 13% to the net asset value per share reported by us as of June 30, 2009.

	Net Asset Value(1)	Price Range High	Price Range Low	High Sales Price to Net Asset Value(2)	Low Sales Price to Net Asset Value(2)	Cash Dividend/ Distribution Per Share(3)
Year ended December 31, 2007						
First Quarter	$ 15.34	$ 20.46	$ 17.82	133.4%	116.2%	$ 0.41
Second Quarter	$ 15.84	$ 18.84	$ 16.85	118.9%	106.4%	$ 0.41
Third Quarter	$ 15.74	$ 17.53	$ 14.92	111.4%	94.8%	$ 0.42
Fourth Quarter	$ 15.47	$ 17.47	$ 14.40	112.9%	93.1%	$ 0.42
Year ended December 31, 2008						
First Quarter	$ 15.17	$ 14.39	$ 12.14	94.9%	80.0%	$ 0.42
Second Quarter	$ 13.67	$ 12.98	$ 10.08	95.0%	73.7%	$ 0.42
Third Quarter	$ 12.83	$ 12.60	$ 9.30	98.2%	72.5%	$ 0.42
Fourth Quarter	$ 11.27	$ 10.15	$ 3.77	90.1%	33.5%	$ 0.42
Year ending December 31, 2009						
First Quarter	$ 11.20	$ 7.39	$ 3.21	66.0%	28.7%	$ 0.42
Second Quarter	$ 11.21	$ 8.31	$ 4.53	74.1%	40.4%	$ 0.35
Third Quarter (through August 12, 2009)	$ *	$ 9.89	$ 7.04	*%	*%	$ 0.35

(1) Net asset value per share is determined as of the last day in the relevant quarter and therefore may not reflect the net asset value per share on the date of the high and low closing sales prices. The net asset values shown are based on outstanding shares at the end of the relevant quarter.

(2) Calculated as the respective high or low closing sales price divided by net asset value.

(3) Represents the dividend or distribution declared in the relevant quarter.

(4) Includes an additional cash dividend of $0.10 per share.

*Net asset value has not yet been calculated for this period.

We currently intend to distribute quarterly dividends or distributions to our stockholders. Our quarterly dividends or distributions, if any, will be determined by our board of directors.

The following table summarizes our dividends and distributions declared to date:

Date Declared	Record Date	Payment Date	Amount
December 16, 2004	December 27, 2004	January 26, 2005	$ 0.30
Total declared for 2004			$ 0.30
February 23, 2005	March 7, 2005	April 15, 2005	$ 0.30
June 20, 2005	June 30, 2005	July 15, 2005	$ 0.32
September 6, 2005	September 16, 2005	September 30, 2005	$ 0.34
December 12, 2005	December 22, 2005	January 16, 2006	$ 0.34
Total declared for 2005			$ 1.30
February 28, 2006	March 24, 2006	April 14, 2006	$ 0.36
May 8, 2006	June 15, 2006	June 30, 2006	$ 0.38
August 9, 2006	September 15, 2006	September 29, 2006	$ 0.40
November 8, 2006	December 15, 2006	December 29, 2006	$ 0.40
November 8, 2006	December 15, 2006	December 29, 2006	$ 0.10
Total declared for 2006			$ 1.64
March 8, 2007	March 19, 2007	March 30, 2007	$ 0.41
May 10, 2007	June 15, 2007	June 29, 2007	$ 0.41
August 9, 2007	September 14, 2007	September 28, 2007	$ 0.42
November 8, 2007	December 14, 2007	December 31, 2007	$ 0.42
Total declared for 2007			$ 1.66
February 28, 2008	March 17, 2008	March 31, 2008	$ 0.42
May 8, 2008	June 16, 2008	June 30, 2008	$ 0.42
August 7, 2008	September 15, 2008	September 30, 2008	$ 0.42
November 6, 2008	December 15, 2008	January 2, 2009	$ 0.42
Total declared for 2008			$ 1.68
March 2, 2009	March 16, 2009	March 31, 2009	$ 0.42
May 7, 2009	June 15, 2009	June 30, 2009	$ 0.35
August 6, 2009	September 15, 2009	September 30, 2009	$ 0.35
Total declared for 2009			$ 1.12

To maintain our RIC status, we must timely distribute an amount equal to at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, reduced by deductible expenses, out of the assets legally available for distribution for each year. To avoid certain excise taxes imposed on RICs, we are generally required to distribute during each calendar year an amount at least equal to the sum of (i) 98% of our ordinary income for the calendar year, plus (ii) 98% of our capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year plus (iii) any ordinary income and net capital gains for preceding years that were not distributed during such years. If this requirement is not met, we will be required to pay a nondeductible excise tax equal to 4% of the amount by which 98% of the current year's taxable income exceeds the distribution for the year. The taxable income on which an excise tax is paid is generally carried forward and distributed to stockholders in the next tax year. Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% excise tax on such income, as required. Our excise tax benefit for the six months ended June 30, 2009 was approximately $0.1 million and $0.1 million for the year ended December 31, 2008. We cannot assure you that we will achieve results that will permit the payment of any cash distributions.

We maintain an "opt out" dividend reinvestment plan for our common stockholders. As a result, if we declare a cash dividend, then stockholders' cash dividends will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash dividends. See "Dividend Reinvestment Plan" in the accompanying prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in this section should be read in conjunction with the Selected Financial and Other Data and our financial statements and notes thereto appearing elsewhere in this prospectus supplement and the accompanying prospectus.

OVERVIEW

We are a specialty finance company that is a closed-end, non-diversified management investment company incorporated in Maryland. We have elected to be regulated as a BDC under the Investment Company Act. We were founded on April 16, 2004 and were initially funded on June 23, 2004 and on October 8, 2004 completed our initial public offering.

Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in first and second lien senior loans and mezzanine debt, which in some cases includes an equity component like warrants. To a lesser extent we make equity investments.

We are externally managed by Ares Capital Management, an affiliate of Ares Management LLC, an independent international investment management firm, pursuant to an investment advisory and management agreement (the "Advisory Agreement"). Ares Operations LLC, an affiliate of Ares Management LLC, provides the administrative services necessary for us to operate.

As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," including securities and indebtedness of private U.S. companies, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less.

The Company has elected to be treated as a regulated investment company, or a RIC, under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code") and operates in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute to our stockholders at least 90% of our investment company taxable income, as defined by the Code, for each year. Pursuant to this election, we generally will not have to pay corporate level taxes on any income that we distribute to our stockholders.

PORTFOLIO AND INVESTMENT ACTIVITY

(in millions, except number of new investment commitments, terms and percentages)

	Three months ended June 30, 2009	June 30, 2008
New investment commitments(1):		
New portfolio companies	$ 8.6	$ 243.2
Existing portfolio companies	34.5	99.1
Total new investment commitments	43.1	342.3
Less:		
Investment commitments exited	81.4	43.4
Net investment commitments	$ (38.3)	$ 298.9
Principal amount of investments purchased:		
Senior term debt	$ 63.0	$ 92.8
Senior subordinated debt		141.0
Equity and other	6.5	18.4
Total	$ 64.5	$ 252.2
Principal amount of investments sold or repaid:		
Senior term debt	$ 82.5	$ 71.2
Senior subordinated debt	4.0	
Equity and other	0.2	
Total	$ 86.7	$ 71.2
Number of new investment commitments(2)	9	10
Average new investment commitments amount	$ 4.8	$ 34.2
Weighted average term for new investment commitments (in months)	49	66
Percentage of new investment commitments at floating rates	74%	47%
Percentage of new investment commitments at fixed rates	12%	44%
Weighted average yield of debt and income producing securities at fair value funded during the period(3)	8.65%	13.07%
Weighted average yield of debt and income producing securities at amortized cost funded during the period(3)	8.89%	13.07%
Weighted average yield of debt and income producing securities at fair value sold or repaid during the period(3)	7.85%	9.11%
Weighted average yield of debt and income producing securities at amortized cost sold or repaid during the period(3)	7.76%	9.11%

(1) New investment commitments includes new agreements to fund revolving credit facilities or delayed draw loans.

(2) Number of new investments represents each commitment to a particular portfolio company.

(3) When we refer to the "weighted average yield at fair value" in this report, we compute it with respect to particular securities by taking the (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount earned on accruing debt included in such securities, and dividing it by (b) total debt and income producing securities at fair value included in such securities. When we refer to the "weighted average yield at amortized cost" in this report, we compute it with respect to particular securities by taking the (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount earned on accruing debt included in such securities, and dividing it by (b) total debt and income producing securities at amortized cost included in such securities.

The investment adviser employs an investment rating system to categorize our investments. In addition to various risk management and monitoring tools, the investment adviser grades the credit status of all investments on a scale of 1 to 4 no less frequently than quarterly. This system is intended to reflect the performance of the portfolio company's business, the collateral coverage of the investment and other relevant factors. Under this system, investments with a grade of 4 involve the least amount of risk in our portfolio. This portfolio company is performing above expectations and the trends and risk factors are generally favorable, including a potential exit. Investments graded 3 involve a level of risk that is similar to the risk at the time of origination. This portfolio company is performing as expected and the risk factors are neutral to favorable. All new investments are initially assessed a grade of 3. Investments graded 2 involve a portfolio company performing below expectations and indicates that the investment's risk has increased materially since origination. This portfolio company may be out of compliance with debt covenants, however, payments are generally not more than 120 days past due. For investments graded 2, our investment adviser increases procedures to monitor the portfolio company and will write down the fair value of the investment if it is deemed to be impaired. An investment grade of 1 indicates that the portfolio company is performing materially below expectations and that the investment risk has substantially increased since origination. Most or all of the debt covenants are out of compliance and payments are substantially delinquent. Investments graded 1 are not anticipated to be repaid in full. Our investment adviser employs half-point increments to reflect underlying trends in portfolio company operating or financial performance, as well as the general outlook. As of June 30, 2009, the weighted average investment grade of the investments in our portfolio was 2.9 with 6.2% of total investments at amortized cost (or 2.1% at fair value) on non-accrual status. The weighted average investment grade of the investments in our portfolio as of December 31, 2008 was 2.9. The distribution of the grades of our portfolio companies as of June 30, 2009 and December 31, 2008 is as follows (dollar amounts in thousands):

	June 30, 2009		December 31, 2008	
	Fair Value	Number of Companies	Fair Value	Number of Companies
Grade 1	$ 41,525	9	$ 48,192	8
Grade 2	162,259	9	180,527	9
Grade 3	1,648,063	70	1,632,136	68
Grade 4	110,624	6	112,122	6
	$ 1,962,471	94	$ 1,972,977	91

The weighted average yields of the following portions of our portfolio as of June 30, 2009 and December 31, 2008 were as follows:

	June 30, 2009		December 31, 2008	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Debt and income producing securities	12.60%	11.68%	12.79%	11.73%
Total portfolio	10.99%	9.49%	11.24%	9.78%
Senior term debt	11.62%	10.82%	12.01%	10.85%
Senior subordinated debt	14.71%	13.45%	14.78%	13.69%
Income producing equity securities	10.29%	10.84%	8.42%	9.30%
First lien senior term debt	10.10%	9.61%	10.80%	9.99%
Second lien senior term debt	13.84%	12.51%	13.75%	12.04%

RESULTS OF OPERATIONS

For the three and six months ended June 30, 2009 and 2008

Operating results for the three and six ended June 30, 2009 and 2008 are as follows (in thousands):

	For the three months ended		For the six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Total investment income	$ 59,111	$ 63,464	$ 115,127	$ 115,671
Total expenses	27,085	27,265	52,870	53,821
Net investment income before income taxes	32,026	36,199	62,257	61,850
Income tax expense (benefit), including excise tax	78	138	109	(184)
Net investment income	31,948	36,061	62,148	62,034
Net realized gains (losses)	(741)	17	23,967	216
Net unrealized gains (losses)	3,546	(32,806)	(16,328)	(49,812)
Net increase in stockholders' equity resulting from operations	$ 34,753	$ 3,272	$ 69,787	$ 12,438

Net income can vary substantially from period to period for various factors, including the recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, quarterly comparisons of net income may not be meaningful.

Investment Income

For the three months ended June 30, 2009, total investment income decreased $4.4 million, or 7%, over the three months ended June 30, 2008. For the three months ended June 30, 2009, total investment income consisted of $54.0 million in interest income from investments, $0.6 million in capital structuring service fees, $0.7 million in dividend income, $1.8 million in other income and $1.9 million in management fees. Interest income from investments increased $4.3 million, or 9%, to $54.0 million for the three months ended June 30, 2009 from $49.7 million for the comparable period in 2008. The increase in interest income from investments was primarily due to the increase in the size of the portfolio as well as increases in the weighted average yield on the portfolio. The average investments, at amortized cost, for the quarter increased from $2.1 billion for the three months ended June 30, 2008 to $2.3 billion for the comparable period in 2009. Capital structuring service fees decreased $10.7 million, or 95%, to $0.6 million for the three months ended June 30, 2009 from $11.3 million for the comparable period in 2008. The decrease in capital structuring service fees was primarily due to the significant decrease in new investment commitments for the three months ended June 30, 2009 as compared to the three months ended June 30, 2008.

For the six months ended June 30, 2009, total investment income decreased $0.5 million, or 1%, over the six months ended June 30, 2008. For the six months ended June 30, 2009, total investment income consisted of $106.3 million in interest income from investments, $1.8 million in capital structuring service fees, $1.2 million in dividend income, $3.0 million in other income and $2.6 million in management fees. Interest income from investments increased $10.7 million, or 11%, to $106.3 million for the six months ended June 30, 2009 from $95.6 million for the comparable period in 2008. The increase in interest income from investments was primarily due to the increase in the size of the portfolio. The average investments, at amortized cost, for the period increased from $2.0 billion for the six months ended June 30, 2008 to $2.3 billion for the comparable period in 2009. Capital structuring service fees decreased $13.4 million, or 88%, to $1.8 million for the six months ended June 30, 2009 from $15.2 million for the comparable period in 2008. The decrease in capital structuring service fees was primarily due to the decrease in new investment commitments for the six months ended June 30, 2009 as compared to the six months ended June 30, 2008.

Operating Expenses

For the three months ended June 30, 2009, total expenses decreased $0.2 million, or 1%, over the three months ended June 30, 2008. Interest expense and credit facility fees decreased $0.9 million, or 12%, to $6.3 million for the three months ended June 30, 2009 from $7.2 million for the comparable period in 2008, primarily due to the lower average cost of debt. The average cost of debt for the three months ended June 30, 2009 was 2.91% compared to the average cost of debt of 3.59% for the comparable period in 2008 due to the significant decrease in LIBOR over the period. There were $880.2 million in average outstanding borrowings during the three months ended June 30, 2009 compared to average outstanding borrowings of $745.9 million in the comparable period in 2008. Incentive fees related to pre-incentive fee net investment income decreased $1.0 million, or 11%, to $8.0 million for the three months ended June 30, 2009 from $9.0 million for the comparable period in 2008, due to the decline in net investment income.

For the six months ended June 30, 2009, total expenses decreased $1.0 million, or 2%, over the six months ended June 30, 2008. Interest expense and credit facility fees decreased $4.2 million, or 25%, to $12.9 million for the six months ended June 30, 2009 from $17.1 million for the comparable period in 2008, primarily due to the lower average cost of debt. The average cost of debt for the six months ended June 30, 2009 was 2.94% compared to the average cost of debt of 4.35% for the comparable period in 2008 due to the significant decrease in LIBOR over the period. There were $882.7 million in average outstanding borrowings during the six months ended June 30, 2009 compared to average outstanding borrowings of $749.4 million in the comparable period in 2008. The decrease in total expenses was partially offset by the increase in administrative expense, which increased $1.2 million, or 133%, to $2.1 million for the six months ended June 30, 2009 from $0.9 million for the comparable period in 2008. This increase was primarily due to the expenses incurred by IHAM pursuant to the separate services agreement between Ares Capital Management LLC. There was no such agreement in place in 2008. Additionally, professional fees increased $0.8 million, or 29%, to $3.7 million for the six months ended June 30, 2009 from $2.9 million for the comparable period in 2008. This increase was primarily due to a rise in legal and valuation costs.

Income Tax Expense, Including Excise Tax

The Company has elected to be treated as a RIC under Subchapter M of the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. Among other things, the Company has, in order to maintain its RIC status, made and intends to continue to make the requisite distributions to its stockholders which will generally relieve the Company from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions into the next tax year and pay a 4% excise tax on such income, as required. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year dividend distributions, the Company accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. For the three months ended June 30, 2009, the Company recorded no amounts for U.S. Federal excise tax. For the six months ended June 30, 2009, the Company recognized $0.1 million of benefits for U.S. Federal excise tax. For the three months ended June 30, 2008, the Company recorded a $0.1 million provision for U.S. Federal excise tax. For the six months ended June 30, 2008, the Company recorded a benefit of $0.3 million for U.S. Federal excise tax.

Certain of our wholly owned subsidiaries are subject to U.S. federal and state income taxes. For the three and six months ended June 30, 2009, we recorded tax provisions of approximately $0.1 million for these subsidiaries. For the three and six months ended June 30, 2008, we recorded tax provisions of approximately $0.1 million for these subsidiaries.

Net Unrealized Gains/Losses

For the three months ended June 30, 2009, the Company had net unrealized gains of $3.5 million, which was primarily comprised of $37.4 million in unrealized depreciation, $40.9 million in unrealized appreciation. The most significant changes in net unrealized appreciation and depreciation during the three months ended June 30, 2009 were as follows (in millions):

Portfolio Company	For the three months ended June 30, 2009 Unrealized Appreciation (Depreciation)
Ivy Hill Asset Management, LP(1)	$ 8.0
Waste Pro USA, Inc.	3.1
DSI Renal, Inc.	2.9
Apple & Eve, LLC	2.7
Capella Healthcare, Inc.	2.6
Best Brands Corp.	2.5
ADF Restaurant Group, LLC	2.1
Booz Allen & Hamilton, Inc.	1.8
Savers, Inc.	1.7
Wyle Laboratories, Inc.	1.4
Encanto Restaurants, Inc.	1.2
Wear Me Apparel, LLC	1.2
Carador PLC	(1.1)
MPBP Holdings, Inc.	(1.3)
Wastequip, Inc.	(1.3)
Vistar Corporation	(1.5)
DirectBuy Investors, LP	(1.5)
Courtside Acquisition Corp.	(1.7)
Vantage Oncology, Inc	(1.8)
Sigma International Group, Inc.	(1.8)
Reflexite Corporation	(2.5)
National Print Group, Inc.	(2.8)
Summit Business Media, LLC	(3.0)
LVCG Holdings LLC	(3.7)
Firstlight Financial Corporation	(10.9)
Other	7.2
Total	$ 3.5

(1) See Note 10 to the consolidated financial statements for the period ended June 30, 2009.

For the three months ended June 30, 2008, the Company had net unrealized losses of $32.8 million, which primarily consisted of $48.8 million of unrealized depreciation from investments less $16.4 million of unrealized appreciation from investments. The most significant changes in net unrealized appreciation and depreciation during the three months ended June 30, 2008 were as follows (in millions):

Portfolio Company	**For the three months ended June 30, 2008 Unrealized Appreciation (Depreciation)**
Prommis Solutions, LLC	$ 2.5
LVCG Holdings LLC	1.9
Daily Candy, Inc.	1.9
Instituto de Banca y Commercio, Inc.	1.5
Pillar Holdings LLC	1.5
Savers, Inc.	1.3
Diversified Collection Services, Inc.	1.2
Industrial Container Services, LLC	0.9
Wastequip, Inc.	(1.3)
HB&G Building Products, Inc.	(1.4)
Ivy Hill Middle Market Credit Fund, Ltd.	(1.6)
MPBP Holdings, Inc.	(1.6)
Wear Me Apparel, LLC	(4.4)
Firstlight Financial Corporation	(5.0)
Making Memories, Inc.	(7.3)
Reflexite Corporation	(10.0)
Courtside Acquisition Corp.	(13.8)
Other	0.9
Total	$ (32.8)

For the six months ended June 30, 2009, the Company had net unrealized losses of $16.3 million, which was primarily comprised of $71.3 million in unrealized depreciation and $53.6 million in unrealized appreciation and $1.4 million relating to the reversal of prior period net unrealized depreciation. The most significant changes in net unrealized appreciation and depreciation during the six months ended June 30, 2009 were as follows (in millions):

Portfolio Company	For the six months ended June 30, 2009 Unrealized Appreciation (Depreciation)
Apple & Eve, LLC	$ 8.2
Ivy Hill Asset Management, LP(1)	8.0
Best Brands Corp.	6.3
Capella Healthcare, Inc.	4.3
Waste Pro USA, Inc.	3.2
Booz Allen Hamilton, Inc.	3.0
DSI Renal, Inc.	2.2
Prommis Solutions, LLC	2.1
ADF Restaurant Group	2.1
Magnacare Holdings, Inc.	1.4
Wyle Laboratories, Inc.	1.4
Diversified Collections Services, Inc.	1.3
Encanto Restaurants, Inc.	1.2
Wear Me Apparel, LLC	1.2
OTG Management, Inc.	(1.1)
MPBP Holdings, Inc.	(1.3)
Vistar Corporation	(1.5)
Sigma International Group, Inc.	(1.8)
Things Remembered, Inc.	(1.8)
HB&G Building Products	(1.8)
Carador PLC	(2.6)
Wastequip, Inc.	(2.7)
AWTP, LLC	(2.7)
VOTC Acquisition Corp.	(2.8)
Growing Family, Inc.	(3.4)
Courtside Acquisition Corp.	(3.4)
Summit Business Media, LLC	(4.0)
Direct Buy Holdings, Inc.	(4.1)
National Print Group, Inc.	(4.3)
LVCG Holdings LLC	(4.5)
Reflexite Corporation	(10.6)
Firstlight Financial Corporation	(11.0)
Other	1.8
Total	$ (17.7)

(1) See Note 10 to the consolidated financial statements for the period ended June 30, 2009.

For the six months ended June 30, 2008, the Company had net unrealized losses of $49.8 million, which primarily consisted of $78.9 million of unrealized depreciation from investments less $29.4 million of unrealized appreciation from investments. The most significant changes in net unrealized appreciation and depreciation during the three months ended June 30, 2008 were as follows (in millions):

Portfolio Company	For the six months ended June 30, 2008 Unrealized Appreciation (Depreciation)
Equinox EIC Partners, LLC	$ 5.0
Prommis Solutions, LLC	2.5
LVCG Holdings LLC	1.9
Daily Candy, Inc.	1.9
Instituto de Banca y Commercio, Inc.	1.5
Pillar Holdings LLC	1.5
Savers, Inc.	1.3
Industrial Container Services, LLC	1.3
Diversified Collection Services, Inc.	1.2
Summit Business Media, LLC	(1.0)
National Print Group, Inc.	(1.0)
PRA International, Inc.	(1.4)
Abingdon Investment Limited, Ltd.	(1.4)
Ivy Hill Middle Market Credit Fund, Ltd.	(1.6)
Wastequip, Inc.	(2.0)
HB&G Building Products, Inc.	(2.0)
Apple & Eve, Inc.	(2.3)
Growing Family Inc.	(2.5)
CT Technologies Holding, LLC	(2.5)
Reflexite Corporation	(2.7)
Primis Marketing Group, Inc.	(3.5)
Wear Me Apparel, LLC	(4.4)
Firstlight Financial Corporation	(5.0)
MPBP Holdings, Inc.	(7.3)
Making Memories, Inc.	(8.2)
Courtside Acquisition Corp.	(17.1)
Other	(2.0)
Total	$ (49.8)

Net Realized Gains/Losses

During the three months ended June 30, 2009, the Company had $85.8 million of sales and repayments resulting in $0.9 million of net realized losses. These sales and repayments included $4.0 million of loans sold to the Ivy Hill Funds, the two middle market credit funds managed by our affiliate, Ivy Hill Asset Management L.P. ("IHAM," see Note 10 to the consolidated financial statements for the period ended June 30, 2009 for more detail on IHAM and the Ivy Hill Funds). Net realized losses on investments were comprised of $0.1 million of gross realized gains and $1.0 of gross realized losses. The most significant realized gains and losses on investments for the three months ended June 30, 2009 were as follows (in millions):

Portfolio Company	Realized Gain (Loss)
Diversified Collection Services, Inc.	$ 0.1
Instituto de Banca y Commercio, Inc.	(0.9)
Other	(0.1)
Total	$ (0.9)

During the three months ended June 30, 2008, the Company had $71.2 million of sales and repayments resulting in no significant net realized gains.

During the six months ended June 30, 2009, the Company repurchased $34.8 million of the CLO Notes (as defined below) resulting in a $26.5 million realized gain on the extinguishment of debt. The Company also had $163.2 million of sales and repayments resulting in $2.7 million of net realized losses. These sales and repayments included $40.5 million of loans sold to the Ivy Hill Funds. Net realized losses on investments were comprised of $0.2 million of gross realized gains and $2.9 of gross realized losses. The most significant realized gains and losses on investments for the six months ended June 30, 2009 were as follows (in millions):

Portfolio Company	Realized Gain (Loss)
Diversified Collection Services, Inc.	$ 0.2
Heartland Dental Care, Inc.	(0.2)
Bumble Bee Foods, LLC	(0.2)
Campus Management Corp.	(0.5)
Instituto de Banca y Commercio, Inc.	(0.9)
Capella Healthcare, Inc.	(1.0)
Other	(0.1)
Total	$ (2.7)

During the six months ended June 30, 2008, the Company had $226.3 million of sales and repayments resulting in $0.2 million of net realized gains.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Since the Company's inception, the Company's liquidity and capital resources have been generated primarily from the net proceeds of public offerings of common stock, the Debt Securitization, advances from the CP Funding Facility and JPM Revolving Facility, each as defined below (together, the "Facilities"), as well as cash flows from operations.

As of June 30, 2009, the Company had $46.3 million in cash and cash equivalents and $879.3 million in total indebtedness outstanding. Subject to leverage restrictions, the Company had approximately $149.9 million available for additional borrowings under the Facilities as of June 30, 2009.

Due to volatility in global markets, the availability of capital and access to capital markets has been limited. Until constraints on raising new capital ease, we intend to pursue other avenues of liquidity such as adjusting the pace of our investments, becoming more selective in evaluating investment opportunities to ensure appropriate risk-adjusted returns, pursuing asset sales, and/or recycling lower yielding investments. As the global liquidity situation evolves, we will continue to monitor and adjust our funding approach accordingly. However, given the unprecedented nature of the volatility in the global markets, there can be no assurances that these activities will be successful. Moreover, if current levels of market disruption and volatility continue or worsen, we could face materially higher financing costs. Consequently, our operating strategy could be materially and adversely affected. The illiquidity of our investments may make it difficult for us to sell such investments if required. As a result, we may realize significantly less than the value at which we have recorded our investments. A failure to enter into definitive documentation on the JPM Revolving Facility (as defined below) could have a material adverse impact on our business, financial condition and results of operations.

Equity Offerings

There were no sales of equity securities during the six months ended June 30, 2009.

The following table summarizes the total shares issued and proceeds we received net of underwriter, dealer manager and offering costs for the six months ended June 30, 2008 (in millions, except per share data):

	Shares issued	Offering price per share	Proceeds net of dealer manager and offering costs
April 2008 public offering	24.2	$ 11.00	$ 260.0
Total for the six months ended June 30, 2008	24.2		$ 260.0

Debt Capital Activities

Our debt obligations consisted of the following as of June 30, 2009 and December 31, 2008 (in millions):

	June 30, 2009		December 31, 2008	
	Outstanding	Total Available(1)	Outstanding	Total Available(1)
JPM Revolving Facility	$ 375.1	$ 525.0	$ 480.5	$ 510.0
CP Funding Facility	225.0	225.0	114.3	350.0
Debt Securitization	279.2	279.2	314.0	314.0
	$ 879.3	$ 1,029.2	$ 908.8	$ 1,174.0

(1) Subject to borrowing base and leverage restrictions.

The weighted average interest rate and weighted average maturity of all our outstanding borrowings as of June 30, 2009 were 1.98% and 4.7 years, respectively. The weighted average interest rate and weighted average maturity of all our outstanding borrowings as of December 31, 2008 were 3.03% and 4.9 years, respectively.

The ratio of total debt outstanding to stockholders' equity as of June 30, 2009 was 0.81:1.00 compared to 0.83:1.00 as of December 31, 2008.

In December 2005, we entered into a senior secured revolving credit facility, referred to as the "JPM Revolving Facility," under which, as amended, the lenders have agreed to extend credit to the Company in an aggregate principal amount not exceeding $525.0 million at any one time outstanding. As of June 30, 2009, there was $375.1 million outstanding under the JPM Revolving Facility (see Note 7 to the consolidated financial statements for the period ended June 30, 2009 for more detail on the JPM Revolving Facility arrangement). The JPM Revolving Facility also includes an "accordion"

feature that allows us to increase the size of the JPM Revolving Facility to a maximum of $765.0 million under certain circumstances.

In October 2004, we formed Ares Capital CP Funding LLC ("Ares Capital CP"), a wholly owned subsidiary of the Company, through which we established a revolving facility, referred to as the "CP Funding Facility," that, as amended, allows Ares Capital CP to issue up to $350.0 million of variable funding certificates. On May 7, 2009, as part of the amendment to the CP Funding Facility we reduced the total availability of the CP Funding Facility to $225.0 million, of which the entire amount was outstanding as of June 30, 2009 (see Notes 7 and 15 to the consolidated financial statements for the period ended June 30, 2009 for more detail on the CP Funding Facility arrangement).

In July 2006, through our wholly owned subsidiary, ARCC CLO 2006 LLC, we completed a $400.0 million debt securitization, referred to as the "Debt Securitization." As part of the Debt Securitization, $314.0 million principal amount of asset-backed notes (including $50 million of revolving notes, all of which had been drawn as of June 30, 2009) (the "CLO Notes") were issued to third parties and secured by a pool of middle market loans that had been purchased or originated by the Company. As of June 30, 2009, we also owned approximately $120.8 million aggregate principal amount of certain AA, A, BBB and non-rated securities that we retained in the Debt Securitization or purchased in the open market. As of June 30, 2009, there was $279.2 million aggregate principal amount of CLO Notes outstanding. The CLO Notes mature on December 20, 2019.

The CP Funding Facility was initially scheduled to expire on July 21, 2009. On May 7, 2009, as part of the amendment to the CP Funding Facility, we extended the maturity of the CP Funding Facility to May 7, 2012. The JPM Revolving Facility expires on December 28, 2010. Our ability to execute on our business plan relies to a certain extent on our ability to refinance/renew these facilities. However, there can be no assurance that we will be able to renew or refinance these facilities on acceptable terms or at all.

As of June 30, 2009, we had a long-term issuer rating of Ba1 from Moody's Investor Service and a long-term counterparty credit rating from Standard & Poor's Ratings Service of BBB.

Portfolio Valuation

Investments for which market quotations are readily available are typically valued at such market quotations. In order to validate market quotations, we look at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available (i.e., substantially all of our investments) are valued at fair value as determined in good faith by our board of directors, based on the input of our management and audit committee and independent valuation firms that have been engaged at the direction of the board to assist in the valuation of each portfolio investment without a readily available market quotation at least once during a trailing 12 month period and under a valuation policy and a consistently applied valuation process. The valuation process is conducted at the end of each fiscal quarter, with approximately 50% (based on value) of our valuations of portfolio companies without readily available market quotations subject to review by an independent valuation firm.

As part of the valuation process, we may take into account the following types of factors, if relevant, in determining the fair value of our investments: the enterprise value of a portfolio company (an estimate of the total fair value of the portfolio company's debt and equity), the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to publicly traded securities, changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made in the future and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we use the pricing indicated by the external event to corroborate our valuation.

Because there is not a readily available market value for most of the investments in our portfolio, we value substantially all of our portfolio investments at fair value as determined in good faith by our board of directors, based on the input of our management and audit committee and independent valuation firms under a valuation policy and a consistently applied valuation process. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we may realize significantly less than the value at which we have recorded it.

In addition, changes in the market environment, such as inflation, and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned. See the risk factors included in our annual report on Form 10-K for the fiscal year ended December 31, 2008, including the Risk Factor entitled "Risk Factors Risks Relating to our Investments Price declines and illiquidity in the corporate debt markets have adversely affected, and may continue to adversely affect, the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation."

With respect to investments for which market quotations are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals responsible for the portfolio investment in conjunction with our portfolio management team.

- Preliminary valuation conclusions are then documented and discussed by our management.

- The audit committee of our board of directors reviews these preliminary valuations, as well as the input of independent valuation firms with respect to the valuations of approximately 50% (based on value) of our portfolio companies without readily available market quotations.

- The board of directors discusses valuations and determines the fair value of each investment in our portfolio without a readily available market quotation in good faith based on the input of our management and audit committee and independent valuation firms.

Effective January 1, 2008, the Company adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("SFAS 157"), which expands the application of fair value accounting for investments (see Note 8 to the consolidated financial statements for the period ended June 30, 2009).

OFF BALANCE SHEET ARRANGEMENTS

As of June 30, 2009 and December 31, 2008, we had the following commitments to fund various revolving senior secured and subordinated loans (in millions):

	June 30, 2009	December 31, 2008
Total revolving commitments	$ 287.2	$ 419.0
Less: funded commitments	(89.0)	(139.6)
Total unfunded commitments	198.2	279.4
Less: commitments substantially at discretion of the Company	(16.0)	(32.4)
Less: unavailable commitments due to borrowing base or other covenant restriction	(60.1)	(64.5)
Total net adjusted unfunded revolving commitments	$ 122.1	$ 182.5

Of the total commitments as of June 30, 2009, $160.4 million extend beyond the maturity date for the JPM Revolving Facility. Additionally, $109.0 million of the total commitments or $34.0 million of the net adjusted unfunded commitments are scheduled to expire in 2009. Included within the total commitments as of June 30, 2009 are commitments to issue up to $15.6 million in standby letters of credit through a financial intermediary on behalf of certain portfolio companies.

Under these arrangements, we would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. As of June 30, 2009, we had $10.3 million in standby letters of credit issued and outstanding on behalf of the portfolio companies, of which no amounts were recorded as a liability. Of these letters of credit, $4.9 million expire on September 30, 2009, $0.3 million expire on January 31, 2010, $0.2 million expire on February 28, 2010, $1.5 million expire on March 31, 2010 and $3.4 million expire on July 31, 2010. These letters of credit may be extended under substantially similar terms for additional one-year terms at our option until the JPM Revolving Facility, under which the letters of credit were issued, matures on December 28, 2010.

As of June 30, 2009 and December 31, 2008, we were subject to subscription agreements to fund equity investments in private equity investment partnerships, substantially all at our discretion, as follows (in millions):

	June 30, 2009	December 31, 2008
Total private equity commitments	$ 428.3	$ 428.3
Total unfunded private equity commitments	$ 421.8	$ 423.6

Quantitative and Qualitative Disclosures About Market Risk.

We are subject to financial market risks, including changes in interest rates and the valuations of our investment portfolio.

Interest Rate Risk

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. Because we fund a portion of our investments with borrowings, our net investment income is affected by the spread between the rate at which we invest and the rate at which we borrow. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

As of June 30, 2009, approximately 58% of the investments at fair value in our portfolio were at fixed rates while approximately 29% were at variable rates and 13% were non-interest earning. Additionally, 11% of the investments at fair value or 39% of the investments at fair value with variable rates contain interest rate floor features. The Debt Securitization, the CP Funding Facility and the JPM Revolving Facility all feature variable rates.

We regularly measure our exposure to interest rate risk. We assess interest rate risk and manage our interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. Based on that review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates.

In October 2008, we entered into a two-year interest rate swap agreement for a total notional amount of $75 million. Under the interest rate swap agreement, we will pay a fixed interest rate of 2.985% and receive a floating rate based on the prevailing three-month LIBOR. We believe that this agreement will enable us to mitigate interest rate risk and remain match funded.

While hedging activities may mitigate our exposure to adverse fluctuations in interest rates, certain hedging transactions that we may enter into in the future, such as interest rate swap agreements, may also limit our ability to participate in the benefits of lower interest rates with respect to our portfolio investments.

Based on our June 30, 2009 balance sheet, the following table shows the impact on net income of base rate changes in interest rates assuming no changes in our investment and borrowing structure and reflecting the effect of our interest rate swap agreement described above and in Note 11 of the consolidated financial statements for the period ended June 30, 2009 (in millions):

Basis Point Change	**Interest Income**	**Interest Expense**	**Net Income**
Up 300 basis points	$ 15.5	$ 24.1	$ (8.6)
Up 200 basis points	$ 9.4	$ 16.1	$ (6.7)
Up 100 basis points	$ 4.0	$ 8.0	$ (4.0)
Down 100 basis points	$ (2.6)	$ (3.7)	$ 1.1
Down 200 basis points	$ (3.8)	$ (3.7)	$ (0.1)
Down 300 basis points	$ (4.8)	$ (3.7)	$ (1.1)

Based on our December 31, 2008 balance sheet, the following table shows the impact on net income of base rate changes in interest rates assuming no changes in our investment and borrowing structure and reflecting the effect of our interest rate swap agreement described above and in Note 11 of the consolidated financial statements for the period ended June 30, 2009 (in millions):

Basis Point Change	**Interest Income**	**Interest Expense**	**Net Income**
Up 300 basis points	$ 21.4	$ 25.0	$ (3.6)
Up 200 basis points	$ 14.2	$ 16.7	$ (2.5)
Up 100 basis points	$ 7.1	$ 8.3	$ (1.2)
Down 100 basis points	$ (6.2)	$ (8.3)	$ 2.1
Down 200 basis points	$ (11.2)	$ (15.1)	$ 3.9
Down 300 basis points	$ (14.7)	$ (17.0)	$ 2.3

CAPITALIZATION

The following table sets forth (1) our actual capitalization at June 30, 2009 and (2) our capitalization as adjusted to reflect the effects of the sale of our common stock in this offering (assuming no exercise of the underwriters' overallotment option) at an assumed public offering price of $9.29 per share, after deducting the underwriting discounts and commissions and offering expenses payable by us. You should read this table together with "Use of Proceeds" and our balance sheet included elsewhere in this prospectus supplement.

	As of June 30, 2009 (unaudited, dollar amounts in thousands)	
	Actual	**As Adjusted**
Cash and cash equivalents	$ 46,297	$ 46,297
Debt		
Wachovia Revolving Facility		
JPM Revolving Facility	375,045	300,702
CP Funding Facility	225,000	225,000
CLO Notes under the Debt Securitization	279,210	279,210
Total Debt	879,255	804,912
Stockholders' Equity		
Common stock, par value $.001 per share, 200,000,000 common shares authorized, 97,152,820 common shares issued and outstanding	$ 97	$ 105
Capital in excess of par value	1,395,958	1,470,293
Accumulated undistributed net investment income	3,151	3,151
Accumulated net realized loss on sale of investments	(741)	(741)
Net unrealized loss on investments and foreign currency transactions	(309,743)	(309,743)
Total stockholders' equity	$ 1,088,722	$ 1,163,065
Total capitalization	$ 1,967,977	1,967,977

(1) The above table reflects indebtedness outstanding as of June 30, 2009. However, as of August 12, 2009, our total outstanding indebtedness was approximately $878.3 million. The net proceeds from the sale of our common stock in this offering are expected to be used to pay down outstanding indebtedness.

SALES OF COMMON STOCK BELOW NET ASSET VALUE

At our 2009 Annual Stockholders Meeting, our stockholders approved our ability to sell or otherwise issue shares of our common stock, not exceeding 25% of our then outstanding common stock, at a price below the then current net asset value per share during a period beginning on May 4, 2009 (the "Stockholder Approval") and expiring on the earlier of the anniversary of the date of the 2009 Annual Stockholders Meeting and the date of our 2010 Annual Stockholders Meeting, which is expected to be held in May 2010. In order to sell shares of common stock pursuant to this authorization, a majority of our directors who have no financial interest in the sale and a majority of our independent directors must

- find that the sale is in our best interests and in the best interests of our stockholders and
- in consultation with any underwriter or underwriters of the offering, make a good faith determination as of a time either immediately prior to the first solicitation by us or on our behalf of firm commitments to purchase such shares of common stock, or immediately prior to the issuance of such common stock, that the price at which such shares of common stock are to be sold is not less than a price which closely approximates the market value of those shares of common stock, less any distributing commission or discount.

The offering of common stock being made pursuant to this prospectus supplement is at a price below our most recently reported net asset value per share of $11.21.

In making a determination that this offering of common stock below its net asset value per share is in our and our stockholders' best interests, our board of directors considered a variety of factors including:

- the effect that the offering below net asset value per share would have on our stockholders, including the potential dilution they would experience as a result of the offering;
- the amount per share by which the offering price per share and the net proceeds per share are less than our most recently determined net asset value per share;
- the relationship of recent market prices of par common stock to net asset value per share and the potential impact of the offering on the market price per share of our common stock;
- whether the estimated offering price closely approximates the market value of shares of our common stock;
- the potential market impact of being able to raise capital during the current financial market difficulties;
- the nature of any new investors anticipated to acquire shares of our common stock in the offering;
- the anticipated rate of return on and quality, type and availability of investments that we would be able to make as a result of this offering; and
- the leverage available to us, both before and after the offering, and the terms thereof.

Our board of directors also considered the fact that sales of shares of common stock at a discount will benefit our investment adviser as the investment adviser will earn additional investment management fees on the proceeds of such offerings, as it would from the offering of any other securities of the Company or from the offering of common stock at premium to net asset value per share.

Sales by us of our common stock at a discount from net asset value per share pose potential risks for our existing stockholders whether or not they participate in the offering, as well as for new investors who participate in the offering. Any sale of common stock at a price below net asset value per share will result in an immediate dilution to existing common stockholders who do not participate in such sale on at least a pro-rata basis. See "Risk Factors Risks Relating to Offerings Pursuant to this Prospectus" in the accompanying prospectus.

The following three headings and accompanying tables explain and provide hypothetical examples on the impact of an offering of our common stock at a price less than net asset value per share on three different types of investors:

- existing stockholders who do not purchase any shares in this offering;
- existing stockholders who purchase a relative small amount of shares in this offering or a relatively large amount of shares in this offering; and
- new investors who become stockholders by purchasing shares in this offering.

Impact On Existing Stockholders Who Do Not Participate in this Offering

Our existing stockholders who do not participate in this offering below net asset value per share or who do not buy additional shares in the secondary market at the same or lower price we obtain in this offering (after expenses and commissions) face the greatest potential risks. These stockholders will experience an immediate dilution in the net asset value of the shares of common stock they hold and their net asset value per share. These stockholders will also experience a disproportionately greater decrease in their participation in our earnings and assets and their voting power than the increase we will experience in our assets, potential earning power and voting interests due to such offering. These stockholders may also experience a decline in the market price of their shares, which often reflects to some degree announced or potential increases and decreases in net asset value per share. This decrease could be more pronounced as the size of the offering and level of discounts increases. Further, if existing stockholders do not purchase any shares to maintain their percentage interest, their voting power will be diluted.

The following chart illustrates the level of net asset value dilution that would be experienced by an existing 0.10% stockholder who does not participate in this offering at an assumed offering price of $9.77 per share. It is not possible to predict the level of market price decline that may occur.

	Prior to Sale Below NAV	Following Sale	% Change
Offering Price			
Price per Share to Public	N/A(1)	$9.77	N/A
Net Proceeds per Share to Issuer	N/A	$9.29	N/A
Decrease to Net Asset Value			
Total Shares Outstanding	97,152,820(2)	105,152,820	8.23%
Net Asset Value per Share	$11.21	$11.06	(1.30)%
Dilution to Nonparticipating Stockholder			
Shares Held by Stockholder A	97,153	97,153	0.00%
Percentage Held by Stockholder A	0.10%	0.09%	(7.61)%
Total Net Asset Value Held by Stockholder A	$1,088,722	$1,074,579	(1.30)%
Total Investment by Stockholder A (Assumed to Be Net Asset Value per Share)	$1,088,722	$1,088,722	0.00%
Total Dilution to Stockholder A (Total Net Asset Value Less Total Investment)	N/A	$(14,143)	N/A
Investment per Share Held by Stockholder A (Assumed to be Net Asset Value per Share on Shares Held Prior to Sale)	$11.21	$11.21	0.00%
Net Asset Value per Share Held by Stockholder A	N/A	$11.06	N/A
Dilution per Share Held by Stockholder A (Net Asset Value per Share Less Investment per Share)	N/A	$(0.15)	N/A
Percentage Dilution to Stockholder A (Dilution per Share Divided by Investment per Share)	N/A	N/A	(1.30)%(3)

(1) N/A stands for not applicable.

(2) Reflects actual shares outstanding at June 30, 2009.

(3) Each additional 1,000,000 shares issued would result in 0.17% of additional dilution at an assumed per share offering price of $9.77.

Impact On Existing Stockholders Who Do Participate in this Offering

Our existing stockholders who participate in this offering or who buy additional shares in the secondary market at the same or lower price as we obtain in this offering (after expenses and commissions) will experience the same types of net asset value dilution as the nonparticipating stockholders, although at a lower level, to the extent they purchase less than the same percentage of the discounted offering as their interest in our shares of our common stock immediately prior to the offering. The level of net asset value dilution will decrease as the number of shares such stockholders purchase increases. Existing stockholders who buy more than such percentage will experience net asset value dilution but will, in contrast to existing stockholders who purchase less than their proportionate share of the offering, experience accretion in net asset value per share over their investment per share and will also experience a disproportionately greater increase in their participation in our earnings and assets and their voting power than our increase in assets, potential earning power and voting interests due to such offering. The level of accretion will increase as the excess number of shares such stockholder purchases increases. Even a stockholder who overparticipates will, however, be subject to the risk that we may make additional discounted offerings in which such stockholder does not participate, in which case such a stockholder will experience net asset value dilution as described above in such subsequent offerings. These stockholders may also experience a decline in the market price of their shares, which often reflects to some degree announced or potential increases and decreases in net asset value per share. This decrease could be more pronounced as the size of the offering and the level of discounts increase.

The following chart illustrates the level of dilution and accretion in this offering for a current 0.10% stockholder that acquires shares equal to (1) 50% of its proportionate share of the offering (i.e., 4,000 shares, which is 0.05% of an offering of 8,000,000 shares) rather than its 0.10% proportionate share and (2) 150% of such percentage (i.e. 12,000 shares, which is 0.15% of an offering of 8,000,000 shares rather than its 0.10% proportionate share) at an assumed offering price of $9.77 per share. It is not possible to predict the level of market price decline that may occur.

	Prior to Sale Below NAV	50% Participation Following Sale	50% Participation % Change	150% Participation Following Sale	150% Participation % Change
Offering Price					
Price per Share to Public	N/A(1)	$9.77	N/A	$9.77	N/A
Net Proceeds per Share to Issuer	N/A	$9.29	N/A	$9.29	N/A
Decrease/Increase to Net Asset Value					
Total Shares Outstanding	97,152,820(2)	105,152,820	8.23%	105,152,820	8.23%
Net Asset Value per Share	$11.21	$11.06	(1.30)%	$11.06	(1.30)%
Dilution/Accretion to Participating Stockholder					
Shares Held by Stockholder A	97,153	101,153	4.12%	109,153	12.35%
Percentage Held by Stockholder A	0.10%	0.10%	(3.80)%	0.10%	3.80%
Total Net Asset Value Held by Stockholder A	$1,088,722	$1,118,822	2.76%	$1,207,308	10.89%
Total Investment by Stockholder A (Assumed to be Net Asset Value per Share on Shares Held Prior to Sale)	$1,088,722	$1,127,802	3.59%	$1,205,962	10.77%
Total Dilution/Accretion to Stockholder A (Total Net Asset Value Less Total Investment)	N/A	$(8,980)	N/A	$1,346	N/A
Investment per Share Held by Stockholder A (assumed to Be Net Asset Value per Share on Shares Held Prior to Sale)	$11.21	$11.15	(0.51)%	$11.05	(1.41)%
Net Asset Value per Share Held by Stockholder A	N/A	$11.06	N/A	$11.06	N/A
Dilution/Accretion per Share Held by Stockholder A (Net Asset Value per Share Less Investment per Share)	N/A	$(0.09)	N/A	$0.01	N/A
Percentage Dilution/Acccretion to Stockholder A (Dilution/Accretion per Share Divided by Investment per Share)	N/A	N/A	(0.80)%(3)	N/A	0.11%(3)

(1) N/A stands for not applicable.

(2) Reflects actual shares outstanding at June 30, 2009.

(3) Each additional 1,000,000 shares issued would result in 0.17% of additional dilution at an assumed per share offering price of $9.77.

Impact On New Investors

Investors who are not currently stockholders and who participate in this offering and whose investment per share is greater than the resulting net asset value per share due to selling compensation and expenses paid by the Company will experience an immediate decrease, although small, in the net asset value of their shares and their net asset value per share compared to the price they pay for their shares. Investors who are not currently stockholders and who participate in this offering and whose investment per share is also less than the resulting net asset value per share will experience an immediate increase in the net asset value of their shares and their net asset value per share compared to the price they pay for their shares. These latter investors will experience a disproportionately greater participation in our earnings and assets and their voting power than our increase in assets, potential earning power and voting interests due to such offering. These investors will, however, be subject to the risk that we may make additional discounted offerings in which such new stockholder does not participate, in which case such new stockholder will experience dilution as described above in such subsequent offerings. These investors may also experience a decline in the market price of their shares, which often reflects to some degree announced or potential decreases in net asset value per share. This decrease could be more pronounced as the size of the offering and level of discounts increases.

The following chart illustrates the level of dilution or accretion for new investors that will be experienced by a new investor who purchases the same percentage (0.10%) of the shares in the offering as the stockholder in the prior examples at an assumed offering price of $9.77 per share.

	Prior to Sale Below NAV	Following Sale	% Change
Offering Price			
Price per Share to Public	N/A(1)	$9.77	N/A
Net Proceeds per Share to Issuer	N/A	$9.29	N/A
Decrease/Increase to Net Asset Value			
Total Shares Outstanding	97,152,820(2)	105,152,820	8.23%
Net Asset Value per Share	$11.21	$11.06	(1.30)%
Dilution/Accretion to New Investor A			
Shares Held by Investor A	97,153	105,153	8.23%
Percentage Held by Investor A	0.10%	0.10%	0.00%
Total Net Asset Value Held by Investor A	$1,088,722	$1,163,065	6.83%
Total Investment by Investor A (At Price to Public)	$1,088,722	$1,166,882	7.18%
Total Dilution/Accretion to Investor A (Total Net Asset Value Less Total Investment)	N/A	$(3,817)	N/A
Investment per Share Held by Investor A	$11.21	$11.10	(0.98)%
Net Asset Value per Share Held by Investor A	N/A	$11.06	N/A
Dilution/Accretion per Share Held by Investor A (Net Asset Value per Share Less Investment per Share)	N/A	$(0.04)	N/A
Percentage Dilution/Accretion to Investor A (Dilution/Accretion per Share Divided by Investment per Share)	N/A	N/A	(0.33)%(3)

(1) N/A stands for not applicable.

(2) Reflects actual shares outstanding at June 30, 2009.

(3) Each additional 1,000,000 shares issued would result in 0.17% of additional dilution at an assumed per share offering price of $9.77.

UNDERWRITING

We intend to offer the shares through the underwriters named in the table below. J.P. Morgan Securities Inc., Citigroup Global Markets Inc., UBS Securities LLC and Wells Fargo Securities, LLC are acting as joint bookrunners and representatives of the several underwriters. Subject to the terms and conditions described in a purchase agreement among us and the underwriters, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase from us, 8,000,000 shares of our common stock.

Name	Number of Shares
J.P. Morgan Securities Inc.	
Citigroup Global Markets Inc.	
UBS Securities LLC	
Wells Fargo Securities, LLC	
SunTrust Robinson Humphrey, Inc.	
BMO Capital Markets Corp.	
Stifel, Nicolaus & Company, Incorporated	
Total	8,000,000

The underwriters have agreed that they must purchase all of the shares sold under the purchase agreement if they purchase any of them. However, the underwriters are not required to take or pay for the shares covered by the underwriters' overallotment option described below.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the purchase agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The underwriters have advised us that they propose initially to offer the shares to the public at the public offering price on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After the public offering, the public offering price, concession and discount may be changed.

The following table shows the per share and total underwriting discounts and commissions we will pay to the underwriters assuming both no exercise and full exercise of the underwriters' overallotment option to purchase up to an additional 1,200,000 shares.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to the Company	$	$	$

We estimate that the total expenses of the offering payable by us, not including underwriting discounts and commissions, will be approximately $0.3 million.

Overallotment Option

We have granted an option to the underwriters to purchase up to 1,200,000 additional shares at the public offering price less the underwriting discount. The underwriters may exercise this option for 30 days from the date of this prospectus solely to cover any overallotments. If the underwriters exercise this option, they will be obligated, subject to conditions contained in the purchase agreement, to purchase the additional shares.

No Sales of Similar Securities

We have agreed, with exceptions, not to sell or transfer any common stock for 30 days after the date of this prospectus without first obtaining the written consent of J.P. Morgan Securities Inc., Citigroup Global Markets Inc., UBS Securities LLC and Wells Fargo Securities, LLC.

Our executive officers and directors and Ares Capital Management and certain of its affiliates have agreed, with exceptions, not to sell or transfer any common stock for 90 days after the date of this prospectus supplement without first obtaining the written consent of the representatives. Specifically, we and these other individuals and entities have agreed not to directly or indirectly:

- offer, pledge, sell or contract to sell any common stock,
- sell any option or contract to purchase any common stock,
- purchase any option or contract to sell any common stock,
- grant any option, right or warrant for the sale of any common stock,
- lend or otherwise dispose of or transfer any common stock,
- request or demand that we file a registration statement related to the common stock, or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lockup provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

Quotation on the NASDAQ Global Select Market

Our common stock is quoted on The NASDAQ Global Select Market under the symbol "ARCC."

Price Stabilization and Short Positions

Until the distribution of the shares is completed, SEC rules may limit the underwriters from bidding for and purchasing our common stock. However, the underwriters may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

If the underwriters create a short position in the common stock in connection with the offering, i.e., if they sell more shares than are listed on the cover of this prospectus supplement, the underwriters may reduce that short position by purchasing shares in the open market. The underwriters may also elect to reduce any short position by exercising all or part of the overallotment option described above. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the

underwriters may purchase shares through the over allotment option. Purchases of the common stock to stabilize its price or to reduce a short position may cause the price of the common stock to be higher than it might be in the absence of such purchases.

Neither we nor the underwriters make any representation or prediction as to the magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor the underwriters make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Delivery

The underwriters may make prospectuses available in electronic (PDF) format. A prospectus in electronic (PDF) format may be made available on a web site maintained by the underwriters, and the underwriters may distribute such prospectuses electronically. The underwriters may allocate a limited number of shares for sale to their online brokerage customers.

Other Relationships

The underwriters and their affiliates have provided in the past to Ares and may provide from time to time in the future in the ordinary course of their business certain commercial banking, financial advisory, investment banking and other services to Ares and its affiliates and managed funds and Ares Capital or our portfolio companies for which they will be entitled to receive separate fees. In particular, the underwriters or their affiliates may execute transactions with Ares Capital or on behalf of Ares Capital, Ares or any of our or their portfolio companies, affiliates and/or managed funds. In addition, the underwriters or their affiliates may act as arrangers, underwriters or placement agents for companies whose securities are sold to or whose loans are syndicated to Ares, Ares Capital or Ares Capital Management and its affiliates and managed funds.

Affiliates of the underwriters are limited partners of private investment funds affiliated with our investment adviser, Ares Capital Management LLC.

The underwriters or their affiliates may also trade in our securities, securities of our portfolio companies or other financial instruments related thereto for their own accounts or for the account of others and may extend loans or financing directly or through derivative transactions to Ares, Ares Capital, Ares Capital Management or any of the portfolio companies.

We may purchase securities of third parties from the underwriters or their affiliates after the offering. However, we have not entered into any agreement or arrangement regarding the acquisition of any such securities, and we may not purchase any such securities. We would only purchase any such securities if among other things we identified securities that satisfied our investment needs and completed our due diligence review of such securities.

After the date of this prospectus supplement, the underwriters and their affiliates may from time to time obtain information regarding specific portfolio companies or us that may not be available to the general public. Any such information is obtained by the underwriters and their affiliates in the ordinary course of its business and not in connection with the offering of the common stock. In addition, after the offering period for the sale of our common stock, the underwriters or their affiliates may develop analyses or opinions related to Ares, Ares Capital or our portfolio companies and buy or sell interests in one or more of our portfolio companies on behalf of their proprietary or client accounts and may engage in competitive activities. There is no obligation on behalf of these parties to disclose their respective analyses, opinions or purchase and sale activities regarding any portfolio company or regarding Ares Capital to our stockholders.

Affiliates of certain of the underwriters serve as lenders under our credit facilities and are also lenders to private investment funds managed by Ivy Hill Asset Management L.P., an affiliate of ours.

Certain of the underwriters and their affiliates were underwriters in connection with our initial public offering and our subsequent common stock offerings and rights offering, for which they received customary fees. J.P. Morgan Securities Inc. has been engaged to help us evaluate various potential strategic acquisition and investment transactions for which it has received and will continue to receive customary fees.

Affiliates of the underwriters will receive part of the proceeds of the offering by reason of the repayment of amounts outstanding under the Wachovia Revolving Facility and the JPM Revolving Facility. Because more than 10% of the net proceeds of the offering may be paid to members or affiliates of members of FINRA participating in the offering, the offering will be conducted in accordance with FINRA Conduct Rule 5110(h).

The principal business address of J.P. Morgan Securities Inc. is 383 Madison Avenue, New York, NY 10179. The principal business address of Citigroup Global Markets Inc. is 388 Greenwich Street, New York, NY 10013. The principal business address of UBS Securities LLC is 299 Park Avenue, New York, NY 10171. The principal business address of Wells Fargo Securities, LLC is 375 Park Avenue, New York, New York 10152. The principal business address of SunTrust Robinson Humphrey, Inc. is 303 Peachtree Street, Atlanta, GA 30308. The principal business address of BMO Capital Markets Corp. is 3 Times Square, New York, NY 10036. The principal business address of Stifel, Nicolaus & Company, Incorporated is 501 North Broadway, St. Louis, MO 63102.

LEGAL MATTERS

Certain legal matters regarding the securities offered by this prospectus supplement will be passed upon for Ares Capital Corporation by Proskauer Rose LLP, Los Angeles, California, Sutherland Asbill & Brennan LLP, Washington, D.C., and Venable LLP, Baltimore, Maryland. Proskauer Rose LLP has from time to time represented the underwriters, Ares Capital Corporation, Ares and Ares Capital Management on unrelated matters. Certain legal matters in connection with the offering will be passed upon for the underwriters by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York.

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(dollar amounts in thousands, except per share data)

	As of June 30, 2009 (unaudited)	As of December 31, 2008
ASSETS		
Investments at fair value (amortized cost of $2,272,976 and $2,267,593, respectively)		
Non-controlled/non-affiliate company investments	$ 1,504,277	$ 1,477,492
Non-controlled affiliate company investments	339,167	329,326
Controlled affiliate company investments	119,027	166,159
Total investments at fair value	1,962,471	1,972,977
Cash and cash equivalents	46,297	89,383
Receivable for open trades	442	3
Interest receivable	26,630	17,547
Other assets	11,215	11,423
Total assets	$ 2,047,055	$ 2,091,333
LIABILITIES		
Debt	$ 879,255	$ 908,786
Management and incentive fees payable	48,287	32,989
Payable for open trades	16,744	
Accounts payable and accrued expenses	11,726	10,006
Interest and facility fees payable	2,223	3,869
Dividend payable	98	40,804
Total liabilities	958,333	996,454
Commitments and contingencies (Note 6)		
STOCKHOLDERS' EQUITY		
Common stock, par value $.001 per share, 200,000,000 common shares authorized, 97,152,820 common shares issued and outstanding	97	97
Capital in excess of par value	1,395,958	1,395,958
Accumulated undistributed net investment income (loss)	3,151	(7,637)
Accumulated net realized gain (loss) on investments, foreign currency transactions and extinguishment of debt	(741)	(124)
Net unrealized loss on investments and foreign currency transactions	(309,743)	(293,415)
Total stockholders' equity	1,088,722	1,094,879
Total liabilities and stockholders' equity	$ 2,047,055	$ 2,091,333
NET ASSETS PER SHARE	$ 11.21	$ 11.27

See accompanying notes to consolidated financial statements.

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(dollar amounts in thousands, except per share data)

	For the three months ended		For the six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
INVESTMENT INCOME:				
From non-controlled/non-affiliate company investments:				
Interest from investments	$ 45,307	$ 37,768	$ 89,138	$ 72,734
Capital structuring service fees	603	8,421	1,653	11,146
Interest from cash & cash equivalents	57	441	210	989
Dividend income	617	375	1,043	871
Other income	1,748	583	2,697	1,408
Total investment income from non-controlled/non-affiliate company investments	48,332	47,588	94,741	87,148
From non-controlled affiliate company investments:				
Interest from investments	6,528	8,198	12,103	16,697
Capital structuring service fees				1,095
Dividend income	123	218	137	266
Management fees	1,192	188	1,317	188
Other income	78	190	168	431
Total investment income from non-controlled affiliate company investments	7,921	8,794	13,725	18,677
From controlled affiliate company investments:				
Interest from investments	2,155	3,758	5,093	6,180
Capital structuring service fees		2,900	194	3,000
Management fees	695	409	1,286	606
Other income	8	15	88	60
Total investment income from controlled affiliate company investments	2,858	7,082	6,661	9,846
Total investment income	59,111	63,464	115,127	115,671
EXPENSES:				
Interest and credit facility fees	6,301	7,155	12,882	17,078
Base management fees	7,496	7,679	14,994	14,766
Incentive management fees	7,987	9,015	15,537	15,508
Professional fees	2,308	1,653	3,705	2,871
Insurance	341	349	675	626
Administrative	1,092	365	2,096	900
Depreciation	165	102	338	204
Directors fees	134	66	236	140
Other	1,261	881	2,407	1,728
Total expenses	27,085	27,265	52,870	53,821
NET INVESTMENT INCOME BEFORE INCOME TAXES	32,026	36,199	62,257	61,850