ARES CAPITAL CORP
Form 497
November 10, 2010

Table of Contents

Filed pursuant to Rule 497
Registration No. 333-165585

PROSPECTUS SUPPLEMENT
(To Prospectus dated October 8, 2010)

10,000,000 Shares

Common Stock

We are offering for sale 10,000,000 shares of our common stock.

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, a global alternative asset manager and a Securities and Exchange Commission ("SEC") registered investment adviser with approximately $37 billion of total committed capital under management as of September 30, 2010. 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 November 9, 2010, the last reported sales price of our common stock on The NASDAQ Global Select Market was $17.00 per share. The net asset value per share of our common stock at September 30, 2010 (the last date prior to the date of this prospectus supplement on which our board of directors determined net asset value) was $14.43.

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 25 of the accompanying prospectus, including the risk of leverage.

This prospectus supplement and the accompanying prospectus concisely provide important information about us that 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. We file annual, quarterly and current reports, proxy statements and other information with the SEC. This information is available free of charge by calling us collect at (310) 201-4200 or on our website at *www.arescapitalcorp.com*. The SEC also maintains a website at *www.sec.gov* that contains such information. The information on the websites referred to herein is not incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Per Share	Total
Public offering price	$ 16.5000	$ 165,000,000
Underwriting discount (sales load)	$ 0.7425	$ 7,425,000
Proceeds, before expenses, to Ares Capital Corporation(1)	$ 15.7575	$ 157,575,000

(1) Before deducting expenses payable by us related to this offering, estimated at $0.7 million.

The underwriters may also purchase up to an additional 1,500,000 shares from us at the public offering price, less the underwriting discount, within 30 days of the date of this prospectus supplement to cover overallotments. If the underwriters exercise this option in full, the total public offering price will be $189,750,000, the total underwriting discount (sales load) paid by us will be $8,538,750, and total proceeds, before expenses, will be $181,211,250.

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

The shares will be ready for delivery on or about November 16, 2010.

Joint Bookrunners

Wells Fargo Securities **BofA Merrill Lynch** **SunTrust Robinson Humphrey**

Lead Managers

Deutsche Bank Securities **Morgan Stanley**

Co-Managers

BB&T Capital Markets
BMO Capital Markets
Stifel Nicolaus Weisel
JMP Securities

The date of this prospectus supplement is November 10, 2010.

Table of Contents

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters 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, and the underwriters 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

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 supplement involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies', future business, operations, operating results or prospects;
- the return or impact of current and future investments;
- 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 impact of changes in laws or regulations governing our operations or the operations of our portfolio companies;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- our ability to successfully integrate our business with the business of Allied Capital Corporation;
- our ability to recover unrealized losses;
- our ability to successfully invest any capital raised in this offering;
- market conditions and our ability to access alternative debt markets and additional debt and equity capital;
- our contractual arrangements and relationships with third parties;
- the general economy and its impact on the industries in which we invest;
- the financial condition of and ability of our current and prospective 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 dividends or 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, although not all forward-looking statements include these words. Our actual results and condition could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "Risk Factors" in the accompanying prospectus and the other information included in this prospectus supplement or the accompanying prospectus.

The forward-looking statements included in this prospectus supplement and the accompanying prospectus have been based on information available to us as of their respective dates, 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

Table of Contents

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.

The forward-looking statements in this prospectus supplement and the accompanying prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933 (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act").

Table of Contents

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" in the accompanying prospectus 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 consolidated subsidiaries; "Ares Capital Management" or "the investment adviser" refers to Ares Capital Management LLC; "Ares Operations" refers to Ares Operations LLC; and "Ares" refers to Ares Partners Management Company LLC and its affiliated companies (other than portfolio companies of its affiliated funds), including Ares Management LLC, which we refer to separately as "Ares Management."

As described in more detail below, we consummated the acquisition (the "Allied Acquisition") of Allied Capital Corporation ("Allied Capital") on April 1, 2010. Other than as set forth in the pro forma financial information or otherwise specifically set forth herein or the accompanying prospectus, financial information presented herein and in the accompanying prospectus for and as of periods ended on or prior to March 31, 2010 does not include any information in respect of Allied Capital. In addition, other than as set forth in the pro forma financial information or otherwise specifically set forth herein or the accompanying prospectus, financial information for the nine months ended September 30, 2010, including, without limitation, with respect to the Company's consolidated statements of operations, stockholders' equity and cash flows, only includes results attributable to Allied Capital for the period beginning on April 1, 2010.

Ares Capital

Ares Capital, 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. We are one of the largest BDCs with approximately $12 billion of total committed capital under management as of September 30, 2010, including available debt capacity (subject to leverage restrictions), funds managed or co-managed by us or one of our wholly owned subsidiaries and funds managed or sub-managed by our wholly owned portfolio company, Ivy Hill Asset Management, L.P. ("IHAM").

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 supplement, we generally use the term "middle market" to refer to companies with annual EBITDA between $10 million and $250 million. As used herein, EBITDA represents net income before net interest expense, income tax expense, depreciation and amortization.

On April 1, 2010, we consummated the Allied Acquisition in an all stock merger whereby each existing share of common stock of Allied Capital was exchanged for 0.325 shares of our common stock. The Allied Acquisition was valued at approximately $908 million as of April 1, 2010. In connection therewith, we issued approximately 58.5 million shares of our common stock to Allied Capital's then-existing stockholders, thereby resulting in our then-existing stockholders owning approximately 69% of the combined company and the then-existing Allied Capital stockholders owning approximately 31% of the combined company. For a description of the risks that the Company may face as a result of the Allied Acquisition, see in the accompanying prospectus "Risk Factors Risks Relating to Our Business We may be unable to realize the benefits anticipated by the Allied Acquisition, including estimated cost savings and synergies, or it may take longer than anticipated to achieve such benefits."

Table of Contents

We invest primarily in first and second lien senior loans and mezzanine debt, which in some cases includes an equity component. 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 investments have ranged between $20 million and $200 million each, although the investment sizes may be more or less than the targeted range. Our investment sizes are expected to grow with our capital availability.

To a lesser extent, we also make equity investments, which have generally been non-control equity investments of less than $20 million (usually in conjunction with a concurrent loan investment). However, we may increase the size or change the nature of these investments. Also, as a result of the Allied Acquisition, Allied Capital's equity investments, including equity investments larger than those we have historically made and controlled portfolio company equity investments, became part of our portfolio. We intend to actively seek opportunities over time to dispose of certain of these non-yielding equity investments, as well as lower or non-yielding debt investments acquired as part of the Allied Acquisition (i..e, the legacy Allied Capital portfolio) and rotate them into higher-yielding first and second lien senior loans and mezzanine debt investments. As of April 1, 2010, the investments comprising the legacy Allied Capital portfolio had a fair value of approximately $1.8 billion and a total weighted average yield at fair value of approximately 9.1%, including approximately $769 million at fair value of lower or non-yielding debt and equity securities with an aggregate weighted average yield at fair value of 1.2% and approximately $1.1 billion at fair value of higher-yielding debt and collateralized loan obligation securities with an aggregate weighted average yield of 14.8%. Since April 1, 2010 through September 30, 2010, we have decreased the assets comprising the legacy Allied Capital portfolio by approximately $153 million, primarily as a result of payoffs and exits of approximately $261 million, offset by an increase in net unrealized appreciation in the portfolio of approximately $67 million, and other increases of approximately $40 million due to fundings of revolving and other commitments of $23 million, payment-in-kind interest and accretion of purchase discounts. As of September 30, 2010, the remaining investments in the legacy Allied Capital portfolio had a fair value of approximately $1.7 billion and a total weighted average yield at fair value of approximately 9.9%, including approximately $600 million at fair value of lower or non-yielding debt and equity investments with an aggregate weighted average yield at fair value of 1.6% and approximately $1.1 billion at fair value of higher-yielding debt and collateralized loan obligation investments with an aggregate weighted average yield of 14.5%. The total fair value of investments on non-accrual status in the legacy Allied Capital portfolio has decreased by approximately $128 million, from approximately $336 million at fair value as of April 1, 2010 to approximately $208 million at fair value as of September 30, 2010. Ares Capital intends to continue its strategy of rotating and repositioning a portion of the legacy Allied Capital portfolio, with a focus on reducing our holdings of lower and non-yielding investments and investments on non-accrual, over time. However, there can be no assurance that this strategy will be successful. For risks relating to our equity investments, see in the accompanying prospectus "Risk Factors Risks Relating to Our Investments Investments in equity securities involve a substantial degree of risk."

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, such that we make a smaller investment than what was reflected in our original commitment.

Table of Contents

The first and second lien senior loans in which we invest generally have stated terms of three to 10 years and the mezzanine debt investments in which we invest 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 loans and securities with any maturity or duration. The instruments that we invest in typically are not initially rated by any rating agency, but we believe that if such instruments were rated, they would be below investment grade (rated lower than "Baa3" by Moody's Investors Service, lower than "BBB-" by Fitch Ratings or lower than "BBB-" by Standard & Poor's). We may invest without limit in debt or other securities 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 12 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 140 investment professionals and approximately 190 administrative professionals who provide assistance in accounting, finance, legal, compliance, operations, information technology and investor relations.

Since our inception on October 8, 2004 through September 30, 2010, our realized gains have exceeded our realized losses by $13.8 million (excluding the one-time gain on the Allied Acquisition and gains/losses from the extinguishment of debt). For this same time period, our portfolio exits have resulted in an aggregate cash flow realized internal rate of return to us of approximately 14% on original cash invested of $2.5 billion and total proceeds from such exits of $2.9 billion. Approximately 81% of the exits resulted in an aggregate cash flow internal rate of return to us of 10% or greater. Internal rate of return is the discount rate that makes the net present value of all cash flows related to a particular investment equal to zero. Internal rate of return is gross of expenses related to investments as these expenses are not allocable to specific investments. Investments are considered to be exited when the original investment objective has been achieved through the receipt of cash and/or non-cash consideration upon the repayment of our debt investment or sale of an investment or through the determination that no further consideration was collectible and, thus, a loss may have been realized. These internal rate of return results are historical results relating to our past performance and are not necessarily indicative of future results, the achievement of which cannot be assured.

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 this 30% basket.

We and GE Commercial Finance Investment Advisory Services LLC ("GE") also co-manage an unconsolidated senior debt fund, the Senior Secured Loan Fund LLC, or the "Senior Secured Loan Program." The Senior Secured Loan Program was initially formed in December 2007 to invest in "unitranche" loans (loans that combine both senior and subordinated debt, generally in a first lien

Table of Contents

position) of middle-market companies and currently has approximately $3.6 billion of total committed capital, approximately $2.0 billion in aggregate principal amount of which was funded as of September 30, 2010. At September 30, 2010, the Company's total commitment to the Senior Secured Loan Program was $0.5 billion, of which $98 million was unfunded. The Senior Secured Loan Program is capitalized as transactions are completed. Investments made by the program must be approved by both the Company and GE.

In addition, we have made investments in our portfolio company, IHAM, which manages five unconsolidated senior debt funds: Ivy Hill Middle Market Credit Fund, Ltd. ("Ivy Hill I"), Ivy Hill Middle Market Credit Fund II, Ltd. ("Ivy Hill II"), Ivy Hill Senior Debt Fund, L.P. and related vehicles ("Ivy Hill SDF" and, together with Ivy Hill I and Ivy Hill II, the "Ivy Hill Funds"), Knightsbridge CLO 2007-1, Ltd. and Knightsbridge CLO 2008-1, Ltd. In addition, IHAM serves as the sub-adviser/sub-manager for four others: CoLTS 2005-1 Ltd., CoLTS 2005-2 Ltd., CoLTS 2007-1 Ltd. and FirstLight Funding I, Ltd. As of September 30, 2010, IHAM had total committed capital under management of over $2.7 billion, which includes approximately $0.3 billion of capital committed by Ares Capital.

We also manage an unconsolidated fund, AGILE Fund I, LLC (the "AGILE Fund"), and our wholly owned subsidiary A.C. Corporation manages three unconsolidated loan funds: Emporia Preferred Funding I, Ltd., Emporia Preferred Funding II, Ltd. and Emporia Preferred Funding III, Ltd. As of September 30, 2010, A.C. Corporation managed approximately $1.2 billion of committed capital. In August 2010, the Company made an incremental cash investment of approximately $8 million in IHAM to facilitate IHAM's acquisition of an equity interest in Emporia Preferred Funding III, Ltd.

About Ares

Founded in 1997, Ares is a global alternative asset manager and SEC registered investment adviser with approximately $37 billion of total committed capital under management and over 330 employees as of September 30, 2010.

Ares specializes in originating and managing assets in both the leveraged finance and private equity markets. Ares' leveraged finance activities include the origination, 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, Ares Credit Strategies Fund II, L.P., Ares Credit Strategies Fund III, L.P. and Ares' private debt middle market financing business in Europe, Ares Capital Europe ("ACE"), which together had approximately $13 billion of committed capital under management as of September 30, 2010. 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 managed approximately $18 billion of committed capital as of September 30, 2010 through a variety of funds and investment vehicles, focusing primarily on syndicated senior secured loans, high yield bonds, distressed debt, other liquid fixed income investments and other publicly traded debt securities.

Table of Contents

Private Equity Group. The Ares Private Equity Group managed approximately $6 billion of committed capital as of September 30, 2010, primarily through 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"). ACOF generally makes private equity investments in amounts substantially larger than the private equity investments anticipated to be made by Ares Capital. In particular, 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 72 investment professionals led by the senior 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 has over 140 investment professionals covering current investments in approximately 1,000 companies across over 30 industries. Ares Capital Management's investment committee has nine members, including the senior partners of Ares Capital Management and senior partners in Ares' Capital Markets and Private Equity Groups and ACE.

Recent Developments

On October 21, 2010, we issued $200 million of senior unsecured notes that mature on October 15, 2040 (the "2040 Notes") and may be redeemed in whole or in part at our option at any time or from time to time on or after October 15, 2015 at a par redemption price of $25 per security plus accrued and unpaid interest. The principal amount of the 2040 Notes will be payable at maturity. The 2040 Notes bear interest at a rate of 7.75% per year payable quarterly commencing on January 15, 2011. Total proceeds from the issuance of the 2040 Notes, net of underwriters' discount and offering costs, were approximately $193 million. We used the net proceeds of this offering to repay outstanding indebtedness under our senior secured revolving credit facility (as amended and restated, the "Revolving Credit Facility").

As of November 3, 2010, we had made new investment commitments of $128 million, all of which were funded, since September 30, 2010. Of these new investment commitments, 61% were in investments in subordinated notes of the Senior Secured Loan Program, 29% were in first lien senior secured debt, 2% were in second lien senior secured debt, and 8% were in equity securities. Of the $128 million of new investment commitments, 66% were fixed rate with a weighted average yield at amortized cost of 15.2% and 31% were floating rate with a weighted average spread at amortized cost of 6.2%.

As of November 3, 2010, we had exited $146 million of investments since September 30, 2010. Of these investments, 33% were in first lien senior secured debt, 37% were in senior subordinated debt, 17% were in second lien senior secured debt and 13% were in equity investments. Of the $146 million of investments exited, 30% were in fixed rate investments with a weighted average yield at

Table of Contents

amortized cost of 17.4%. Of the remaining investments, 54% were in floating rate investments with a weighted average spread at amortized cost of 6.7%, 3% were investments on non-accrual status and 13% were non-interest earning. Also, of the $146 million of investments exited since September 30, 2010, $66 million were investments acquired as part of the Allied Acquisition, including $4 million that were on non-accrual status. Additionally, we have recognized net realized gains of approximately $19 million on the investments exited that were acquired as part of the Allied Acquisition.

In addition, as of November 3, 2010, we had an investment backlog and pipeline of $180 million and $310 million, respectively. We may syndicate a portion of these investments and commitments to third parties. The consummation of any of the investments in this backlog and pipeline depends upon, among other things: satisfactory completion of our due diligence investigation of the prospective portfolio company, our acceptance of the terms and structure of such investment and the execution and delivery of satisfactory transaction documentation. We cannot assure you that we will make any of these investments or that we will syndicate any portion of such investments and commitments.

We are in the process of changing transfer agents and expect that The Bank of New York Mellon ("BNY Mellon") will replace Computershare Trust Company, N.A. ("Computershare") as our transfer agent, dividend paying agent, registrar and dividend plan administrator in December. Upon any such change, all references in the accompanying prospectus to the transfer agent, dividend paying agent, registrar or dividend plan administrator, or to Computershare, acting in its capacity as such, shall be deemed to be references to BNY Mellon.

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.

Table of Contents

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, based on the assumptions set forth below. 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 the accompanying prospectus contains a reference to fees or expenses paid or to be 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	0.42%(2)
Dividend reinvestment plan expenses	None (3)
Total stockholder transaction expenses paid by us	4.92%
Estimated annual expenses (as a percentage of consolidated net assets attributable to common stock)(4):	
Management fees	2.23%(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)	2.48%(6)
Interest payments on borrowed funds	3.30%(7)
Other expenses	2.30%(8)
Acquired fund fees and expenses	0.01%(9)
Total annual expenses (estimated)	10.32%(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 $0.7 million and based on the 10,000,000 shares offered in this offering (assuming that the underwriters do not exercise their overallotment option).

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

(4) "Consolidated net assets attributable to common stock" equals our average net assets for the nine months ended September 30, 2010 plus the anticipated net proceeds from this offering (assuming that the underwriters do not exercise their overallotment option). Because the Allied Acquisition was consummated on April 1, 2010 and because we calculate consolidated net assets attributable to common stock as a monthly average based on the period from January 1, 2010 to September 30, 2010, the consolidated net assets attributable to common stock used to calculate the amounts shown in this table are significantly lower than our net assets as of September 30, 2010.

(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. The 2.23% reflected on the table is calculated on our average 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 nine months ended September 30, 2010 and assumes that the incentive fees earned at the end of the 2010 calendar year will be based on the

S-9

Table of Contents

actual realized capital gains as of September 30, 2010, computed net of realized capital losses and unrealized capital depreciation. Because the Allied Acquisition was consummated on April 1, 2010 and because we calculate our incentive fee earned on our pre-incentive fee net income by annualizing our pre-incentive fee net income for the period from January 1, 2010 to September 30, 2010, this percentage is slightly lower than what we anticipate it would have been had we consummated the Allied Acquisition on January 1, 2010. It also assumes that this fee will remain constant although it is based on Ares Capital's performance and will not be paid unless Ares Capital achieves 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 0.63% of our weighted net assets (2.5% 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 September 30, 2010.

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, 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 expenses incurred for the nine months ended September 30, 2010. Because the Allied Acquisition was consummated on April 1, 2010 and because we calculate our interest expenses by annualizing our actual interest and credit facility expenses incurred for the period from January 1, 2010 to September 30, 2010, this percentage is slightly lower than what we anticipate it would have been had we consummated the Allied Acquisition on January 1, 2010. During the nine months ended September 30, 2010, our average borrowings were $1,474.2 million and cash paid for interest expense was $39.4 million. We had outstanding borrowings of $1,583.4 million (with a carrying value of $1,524.2 million) at

Table of Contents

September 30, 2010. This item is based on our assumption that our borrowings and interest costs after this offering will remain similar to those prior to this offering. The amount of leverage that we employ at any particular time will depend on, among other things, our board of directors and investment adviser's 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 our administration agreement with Ares Operations based on our allocable portion of overhead and other expenses incurred by Ares Operations in performing its obligations under the administration agreement. Such expenses are estimated based on annualized "Other expenses" for the nine months ended September 30, 2010 (other than $17.8 million of professional fees and other costs related to the Allied Acquisition, which are included in "Other expenses" but not annualized). Because the Allied Acquisition was consummated on April 1, 2010 and because we calculate our "Other expenses" by annualizing our actual other expenses (other than $17.8 million of professional fees and other costs related to the Allied Acquisition, which are included in "Other expenses" but not annualized) incurred for the period from January 1, 2010 to September 30, 2010, this percentage is slightly lower than what we anticipate it would have been had we consummated the Allied Acquisition on January 1, 2010. 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 as of September 30, 2010. 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% of net profits. When applicable, fees and expenses are based on historic fees and expenses for the investment companies. 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 $2.0 billion for the nine months ended September 30, 2010.

(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 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.

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 that 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.

	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)	$ 80	$ 234	$ 378	$ 702

(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, $90; 3 years, $262; 5 years, $422; and 10 years, $775. 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 as actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown.

Table of Contents

SELECTED CONDENSED CONSOLIDATED FINANCIAL DATA OF ARES CAPITAL

The following selected financial and other data for the years ended December 31, 2009, 2008, 2007, 2006 and 2005 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 nine months ended September 30, 2010 and 2009 and other quarterly financial information are derived from our unaudited financial statements, but in the opinion of management, reflect 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 nine months ended September 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010. 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 this prospectus supplement or the accompanying prospectus.

Table of Contents

ARES CAPITAL CORPORATION AND SUBSIDIARIES
SELECTED FINANCIAL DATA
As of and For the Nine Months Ended September 30, 2010 and 2009 and
As of and For the Years Ended December 31, 2009, 2008, 2007, 2006 and 2005
(dollar amounts in thousands, except per share data and as otherwise indicated)

	As of and For the Nine Months Ended September 30, 2010	As of and For the Nine Months Ended September 30, 2009	As of and For the Year Ended December 31, 2009	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
Total Investment Income	$ 326,226	$ 176,008	$ 245,272	$ 240,461	$ 188,873	$ 120,021	$ 41,850
Total Expenses	173,400	80,391	111,290	113,221	94,750	58,458	14,569
Net Investment Income Before Income Taxes	152,826	95,617	133,982	127,240	94,123	61,563	27,281
Income Tax Expense (Benefit), Including Excise Tax	360	563	576	248	(826)	4,931	158
Net Investment Income	152,466	95,054	133,406	126,992	94,949	56,632	27,123
Gain on the acquisition of Allied Capital Corporation	195,876						
Net Realized and Unrealized Gains (Losses) on Investments, Foreign Currencies and Extinguishment of Debt	186,604	38,009	69,287	(266,447)	(4,117)	13,064	14,727
Net Increase (Decrease) in Stockholders' Equity Resulting from Operations	$ 534,996	$ 133,063	$ 202,693	$ (139,455)	$ 90,832	$ 69,696	$ 41,850
Per Share Data:							
Net Increase (Decrease) in Stockholder's Equity Resulting from Operations:							
Basic(1)	$ 3.16	$ 1.34	$ 1.99	$ (1.56)	$ 1.34	$ 1.58	$ 1.75
Diluted(1)	$ 3.16	$ 1.34	$ 1.99	$ (1.56)	$ 1.34	$ 1.58	$ 1.75
Cash Dividend Declared	$ 1.05	$ 1.12	$ 1.47	$ 1.68	$ 1.66	$ 1.64	$ 1.30
Net Asset Value	$ 14.43	$ 11.16	$ 11.44	$ 11.27	$ 15.47	$ 15.17	$ 15.03
Total Assets	$ 4,432,181	$ 2,065,081	$ 2,313,515	$ 2,091,333	$ 1,829,405	$ 1,347,991	$ 613,645
Total Debt	$ 1,524,143	$ 767,871	$ 969,465	$ 908,786	$ 681,528	$ 482,000	$ 18,000
Total Stockholders' Equity	$ 2,778,476	$ 1,222,591	$ 1,257,888	$ 1,094,879	$ 1,124,550	$ 789,433	$ 569,612
Other Data:							
Number of Portfolio Companies at Period End(2)	184	94	95	91	78	60	38
Principal Amount of Investments Purchased	$ 1,089,500	$ 220,141	$ 575,046	$ 925,945	$ 1,251,300	$ 1,087,507	$ 504,299
Principal Amount of Investments Acquired as part of the Allied Acquisition	$ 1,833,766						
Principal Amount of Investments Sold and Repayments	$ 1,163,496	$ 271,786	$ 515,240	$ 485,270	$ 718,695	$ 430,021	$ 108,415
Total Return Based on Market Value(3)	34.14%	91.94%	119.91%	(45.25)%	(14.76)%	29.12%	(10.60)%
Total Return Based on Net Asset Value(4)	24.10%	12.02%	17.84%	(11.17)%	8.98%	10.73%	12.04%
Weighted Average Yield of Debt and Income Producing Equity Securities at Fair Value(5):	12.90%	12.53%	12.67%	12.79%	11.68%	11.95%	11.25%
Weighted Average Yield of Debt and Income Producing Equity Securities at Amortized Cost(5):	13.10%	11.70%	12.08%	11.73%	11.64%	11.63%	11.40%

(1) In accordance with Accounting Standards Codification ("ASC") 260-10 (previously Statement of Financial Accounting Standards ("SFAS") No. 128, Earnings Per Share), the weighted average shares of common stock outstanding used in

S-14

Table of Contents

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) Total return based on market value for the nine months ended September 30, 2010 equals the increase of the ending market value at September 30, 2010 of $15.65 per share over the ending market value at December 31, 2009 of $12.45 per share, plus the declared dividends of $1.05 per share for the nine months ended September 30, 2010, divided by the market value at December 31, 2009. Total return based on market value for the year ended December 31, 2009 equals the increase of the ending market value at December 31, 2009 of $12.45 per share over the ending market value at December 31, 2008 of $6.33 per share plus the declared dividends of $1.47 per share for the year ended December 31, 2009. 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 is not annualized.

(4) Total return based on net asset value for the nine months ended September 30, 2010 equals the change in net asset value during the period (adjusted for share issuances) plus the declared dividends of $1.05 per share for the nine months ended September 30, 2010, divided by the beginning net asset value at January 1, 2010. Total return based on net asset value for the year ended December 31, 2009 equals the change in net asset value during the period (adjusted for share issuances) plus the declared dividends of $1.47 per share for the year ended December 31, 2009, divided by the beginning net asset value. 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 is not annualized.

(5) 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.

Table of Contents

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

	2010		
	Q3	Q2	Q1
Total investment income	$ 138,126	$ 121,590	$ 66,510
Net investment income before net realized and unrealized gains (losses) and incentive compensation	$ 89,025	$ 64,514	$ 39,849
Incentive compensation	$ 17,805	$ 14,973	$ 8,144
Net investment income before net realized and unrealized gains (losses)	$ 71,220	$ 49,541	$ 31,705
Net realized and unrealized gains (losses)	$ 57,157	$ 84,737	$ 44,710
Gain on the acquisition of Allied Capital Corporation	$	$ 195,876	$
Net increase in stockholders' equity resulting from operations	$ 128,377	$ 330,154	$ 76,415
Basic and diluted earnings per common share	$ 0.67	$ 1.73	$ 0.61
Net asset value per share as of the end of the quarter	$ 14.43	$ 14.11	$ 11.78

	2009			
	Q4	Q3	Q2	Q1
Total investment income	$ 69,264	$ 60,881	$ 59,111	$ 56,016
Net investment income before net realized and unrealized gains (losses) and incentive compensation	$ 47,920	$ 41,133	$ 39,935	$ 37,750
Incentive compensation	$ 9,568	$ 8,227	$ 7,987	$ 7,550
Net investment income before net realized and unrealized gains (losses)	$ 38,352	$ 32,906	$ 31,948	$ 30,200
Net realized and unrealized gains (losses)	$ 31,278	$ 30,370	$ 2,805	$ 4,834
Net increase (decrease) in stockholders' equity resulting from operations	$ 69,630	$ 63,276	$ 34,753	$ 35,034
Basic and diluted earnings per common share	$ 0.64	$ 0.62	$ 0.36	$ 0.36
Net asset value per share as of the end of the quarter	$ 11.44	$ 11.16	$ 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 gains (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 gains (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	$ 0.12
Net asset value per share as of the end of the quarter	$ 11.27	$ 12.83	$ 13.67	$ 15.17

Table of Contents

UNAUDITED SELECTED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

The following tables set forth unaudited pro forma condensed consolidated statements of operations for Ares Capital and Allied Capital as a consolidated entity. The unaudited pro forma condensed consolidated operating data for the nine months ended September 30, 2010 and for the year ended December 31, 2009 are presented as if the Allied Acquisition had been completed on January 1, 2010 and January 1, 2009, respectively. In the opinion of management, all adjustments necessary to reflect the effect of these transactions have been made. The Allied Acquisition was accounted for under the acquisition method of accounting as provided by ASC 805-10 (previously SFAS No. 141(R)), *Business Combinations*.

The unaudited pro forma condensed consolidated statements of operations should be read together with the respective historical audited and unaudited consolidated financial statements and financial statement notes of Allied Capital and Ares Capital in the accompanying prospectus. The unaudited pro forma condensed consolidated statements of operations are presented for comparative purposes only and do not necessarily indicate what the future operating results of Ares Capital will be following completion of the Allied Acquisition. The unaudited pro forma condensed consolidated statements of operations do not include adjustments to reflect any cost savings or other operational efficiencies that may be realized as a result of the Allied Acquisition or any future merger related restructuring or integration expenses.

See in this prospectus supplement "Management's Discussion and Analysis of Financial Condition and Results of Operations Allied Acquisition" for a description of the terms of the Allied Acquisition and in the accompanying prospectus "Risk Factors Risks Relating to Our Business We may be unable to realize the benefits anticipated by the Allied Acquisition, including estimated cost savings and synergies, or it may take longer than anticipated to achieve such benefits" for a description of certain risks associated with the Allied Acquisition.

(dollar amounts in thousands, except per share data and as otherwise indicated)

	For the Nine Months Ended September 30, 2010	For the Year Ended December 31, 2009
Total Investment Income	$ 380,318	$ 563,958
Total Expenses	205,103	373,165
Net Investment Income Before Income Taxes	175,215	190,793
Income Tax Expense	1,562	6,152
Net Investment Income	173,653	184,641
Net Realized and Unrealized Gains (Losses) on Investments, Foreign Currencies and Extinguishment of Debt	153,341	(507,774)
Net Increase (Decrease) in Stockholders' Equity Resulting from Operations	$ 326,994	$ (323,133)

Table of Contents

UNAUDITED PRO FORMA PER SHARE DATA

The following selected unaudited combined pro forma per share information for the nine months ended September 30, 2010 and for the year ended December 31, 2009 reflects the Allied Acquisition and related transactions as if they had occurred on January 1, 2010 and January 1, 2009, respectively.

Such unaudited pro forma combined per share information is based on the historical financial statements of Ares Capital and Allied Capital and on publicly available information and certain assumptions and adjustments as discussed in the section entitled "Unaudited Pro Forma Condensed Consolidated Statements of Operations." This unaudited pro forma combined per share information is provided for illustrative purposes only and is not necessarily indicative of what the operating results of Ares Capital or Allied Capital would have been had the Allied Acquisition and related transactions been completed at the beginning of the periods indicated, nor are they necessarily indicative of any future operating results.

The following should be read in connection with the section entitled "Unaudited Pro Forma Condensed Consolidated Statements of Operations" and other information included in this prospectus supplement and the accompanying prospectus.

See in this prospectus supplement "Management's Discussion and Analysis of Financial Condition and Results of Operations Allied Acquisition" for a description of the terms of the Allied Acquisition and in the accompanying prospectus "Risk Factors Risks Relating to Our Business We may be unable to realize the benefits anticipated by the Allied Acquisition, including estimated cost savings and synergies, or it may take longer than anticipated to achieve such benefits" for a description of certain risks associated with the Allied Acquisition.

	For the Nine Months Ended September 30, 2010				For the Year Ended December 31, 2009			
	Ares Capital	Allied Capital	Pro forma Combined Ares Capital	Per Equivalent Allied Capital Share(1)	Ares Capital	Allied Capital	Pro forma Combined Ares Capital	Per Equivalent Allied Capital Share(2)
Net Increase (Decrease) in Stockholders' Equity Resulting from Operations:								
Basic	$ 3.16	$ (0.20)	$ 1.73	$ 0.56	$ 1.99	$ (2.91)	$ (2.02)	$ (0.66)
Diluted	$ 3.16	$ (0.20)	$ 1.73	$ 0.56	$ 1.99	$ (2.91)	$ (2.02)	$ (0.66)
Cash Dividends Declared(2)	$ 1.05	$ 0.20	$ 1.05	$ 0.34	$ 1.47	$	$ 1.47	$ 0.48

(1) The Allied Capital equivalent pro forma per share amount is calculated by multiplying the pro forma combined share amounts by the common stock exchange ratio of 0.325.

(2) The cash dividends declared per share represent the actual dividends declared per share for the period presented. The pro forma combined dividends declared is the dividends per share as declared by Ares Capital.

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of 10,000,000 shares of our common stock in this offering will be approximately $156.9 million (or approximately $180.5 million if the underwriters fully exercise their overallotment option), in each case at the public offering price of $16.50 per share, after deducting the underwriting discounts and commissions of $7.4 million (or approximately $8.5 million if the underwriters fully exercise their overallotment option) payable by us and estimated offering expenses of approximately $0.7 million payable by us.

We expect to use the net proceeds of this offering to repay outstanding indebtedness under the Revolving Credit Facility ($169 million outstanding as of November 8, 2010). The interest charged on the indebtedness incurred under the Revolving Credit Facility is based on LIBOR (one, two, three or six month) plus an applicable spread of between 2.50% and 4.00%. As of November 8, 2010, the one, two, three and six month LIBOR were 0.25%, 0.27%, 0.29% and 0.44%, respectively, and the applicable LIBOR spread was 3.00%. The Revolving Credit Facility matures on January 22, 2013.

Affiliates of certain of the underwriters, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, SunTrust Robinson Humphrey, Inc., Deutsche Bank Securities Inc., Morgan Stanley & Co. Incorporated and BMO Capital Markets Corp., are lenders under the Revolving Credit Facility and affiliates of Wells Fargo Securities, LLC are lenders under the CP Funding Facility. Accordingly, affiliates of certain of the underwriters will receive more than 5% of the proceeds of this offering which are used to repay outstanding indebtedness under our Revolving Credit Facility and which may be used to repay outstanding indebtedness under the CP Funding Facility. We intend to use any net proceeds from this offering that are not applied as described above to repay outstanding indebtedness under the CP Funding Facility ($320.8 million outstanding as of November 8, 2010) and for general corporate purposes, which include investing in portfolio companies in accordance with our investment objective and strategies and market conditions.

Subject to certain exceptions, the interest charged on the CP Funding Facility is based on LIBOR plus an applicable spread of between 2.25% and 3.75% or on a "base rate" (which is the higher of a prime rate, or the federal funds rate plus 0.50%) plus an applicable spread of between 1.25% to 2.75%, in each case based on a pricing grid depending upon the credit rating of the Company. The effective LIBOR spread under the CP Funding Facility on November 8, 2010 was 2.75%. The CP Funding Facility is scheduled to expire on January 22, 2013 (subject to two one-year extension options exercisable upon mutual consent).

Investing in portfolio companies could include investments in our investment backlog and pipeline that as of November 3, 2010, were approximately $180 million and $310 million, respectively. Please note that the consummation of any of the investments in this backlog and pipeline depends upon, among other things: satisfactory completion of our due diligence investigation of the prospective portfolio company, our acceptance of the terms and structure of such investment and the execution and delivery of satisfactory transaction documentation, and there can be no guarantee that we will consummate any of these investments.

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.

Table of Contents

PRICE RANGE OF COMMON STOCK AND DISTRIBUTIONS

Our common stock trades 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 have traded at a discount from net asset value and may do so again in the future, which could limit our ability to raise additional equity capital" in the accompanying prospectus.

The following table sets forth, for each fiscal quarter during the last two fiscal years and the current fiscal year, the net asset value per share of our common stock, the range of high and low closing sales prices of our common stock, the closing sales price as a percentage of net asset value and the dividends or distributions declared by us. On November 9, 2010, the last reported closing sales price of our common stock on The NASDAQ Global Select Market was $17.00 per share, which represented a premium of approximately 17.8% to the net asset value per share reported by us as of September 30, 2010.

	Net Asset Value(1)	Price Range		High Sales Price to Net Asset Value(2)	Low Sales Price to Net Asset Value(2)	Cash Dividend Per Share(3)
		High	Low			
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 ended 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	$ 11.16	$ 11.02	$ 7.04	98.7%	63.1%	$ 0.35
Fourth Quarter	$ 11.44	$ 12.71	$ 10.21	111.1%	89.2%	$ 0.35
Year ending December 31, 2010						
First Quarter	$ 11.78	$ 14.82	$ 11.75	125.8%	99.7%	$ 0.35
Second Quarter	$ 14.11	$ 16.40	$ 12.53	116.2%	88.8%	$ 0.35
Third Quarter	$ 14.43	$ 15.89	$ 12.44	110.1%	86.2%	$ 0.35
Fourth Quarter (through November 9, 2010)	*	$ 17.26	$ 15.64	*	*	$ 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.

* 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.

Table of Contents

The following table summarizes our dividends 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
November 5, 2009	December 15, 2009	December 31, 2009	$ 0.35
Total declared for 2009			$ 1.47
February 25, 2010	March 15, 2010	March 31, 2010	$ 0.35
May 10, 2010	June 15, 2010	June 30, 2010	$ 0.35
August 5, 2010	September 15, 2010	September 30, 2010	$ 0.35
November 4, 2010	December 15, 2010	December 31, 2010	$ 0.35
Total declared for 2010			$ 1.40

To maintain our status as a regulated investment company, or a "RIC," under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), we must timely distribute generally an amount equal to at least 90% of our investment company taxable income 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 (a) 98% of our ordinary income for the calendar year, plus (b) 98% of our capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year, plus (c) any ordinary income and 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

Table of Contents

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. For the nine months ended September 30, 2010, we recorded no amounts for U.S. Federal excise tax. Our excise tax benefit for the year ended December 31, 2009 was approximately $0.1 million. 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 Condensed Consolidated Financial Data of Ares Capital 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, 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 also make equity investments, which have generally been non-control equity investments of less than $20 million (usually in conjunction with a concurrent loan investment). However, we may increase the size or change the nature of these investments. Also, as a result of the Allied Acquisition, Allied Capital's equity investments, including equity investments larger than those we have historically made and controlled portfolio company equity investments, became part of our portfolio. We intend to actively seek opportunities over time to dispose of certain of these non-yielding equity investments, as well as lower or non-yielding debt investments acquired as part of the Allied Acquisition (i..e, the legacy Allied Capital portfolio) and rotate them into higher-yielding first and second lien senior loans and mezzanine debt investments. However, there can be no assurance that this strategy will be successful.

We are externally managed by Ares Capital Management, an affiliate of Ares Management, a global alternative asset manager and an SEC-registered investment adviser, pursuant to an investment advisory and management agreement. Ares Operations, an affiliate of Ares Management, 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 and certain public 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 RIC under Subchapter M of 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 generally 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 provided that we satisfy those requirements.

Allied Acquisition

On April 1, 2010, we consummated the Allied Acquisition in an all stock merger whereby each existing share of common stock of Allied Capital was exchanged for 0.325 shares of our common stock. The Allied Acquisition was valued at approximately $908 million as of April 1, 2010. In connection therewith, we issued approximately 58.5 million shares of our common stock to Allied Capital's then-existing stockholders, thereby resulting in our then-existing stockholders owning approximately 69% of the combined company and the then-existing Allied Capital stockholders owning approximately 31% of the combined company. Accordingly, although information presented herein as of and for the three and nine months ended September 30, 2010 does include the results of operations and financial condition of the combined company, information presented herein as of and for the three and nine months ended September 30, 2009 relates solely to Ares Capital, as it existed before the Allied Acquisition.

Table of Contents

PORTFOLIO AND INVESTMENT ACTIVITY

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

	Three months ended	
	September 30, 2010	September 30, 2009
New investment commitments(1):		
New portfolio companies	$ 39.5	$
Existing portfolio companies	472.3	54.5
Total new investment commitments	511.8	54.5
Less:		
Investment commitments exited	230.7	85.4
Net investment commitments	$ 281.1	$ (30.9)
Principal amount of investments purchased:		
Senior term debt	$ 236.0	$ 49.4
Senior subordinated debt	40.4	
Subordinated Notes of Senior Secured Loan Program	209.9	
Equity and other	23.0	16.4
Total	$ 509.3	$ 65.8
Principal amount of investments sold or repaid excluding investments acquired as part of the Allied Acquisition:		
Senior term debt	$ 74.7	$ 43.4
Senior subordinated debt	56.5	43.5
Equity and other	0.1	18.9
Total	$ 131.3	$ 105.8
Principal amount of investments acquired as a part of the Allied Acquisition sold or repaid:		
Senior term debt	$ 90.5	$
Senior subordinated debt	5.0	
Collateralized loan obligations	2.5	
Equity and other	1.4	
Total	$ 99.4	$
Number of new investment commitments(2)	19	7
Average new investment commitments amount	$ 26.9	$ 7.8
Weighted average term for new investment commitments (in months)	57	47
Percentage of new investment commitments at floating rates	44%	37%
Percentage of new investment commitments at fixed rates	51%	34%
Weighted average yield of debt and income producing securities at fair value funded during the period(3)	13.01%	10.27%
Weighted average yield of debt and income producing securities at amortized cost funded during the period(3)	13.07%	11.66%
Weighted average yield of debt and income producing securities at fair value sold or repaid during the period(3)(4)	13.23%	12.67%
Weighted average yield of debt and income producing securities at amortized cost sold or repaid during the period(3)(4)	13.24%	11.49%
Weighted average yield of debt and income producing securities acquired as a part of the Allied Acquisition at fair value sold or repaid during the period(3)	13.31%	%
Weighted average yield of debt and income producing securities acquired as a part of the Allied Acquisition at amortized cost sold or repaid during the period(3)	13.18%	%

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

Table of Contents

(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 prospectus supplement, 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 prospectus supplement, 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.

(4)
Excludes investments acquired as a part of the Allied Acquisition on April 1, 2010.

The investment adviser employs an investment rating system to categorize our investments. In addition to various risk management and monitoring tools, our investment adviser grades the risk of all investments on a scale of 1 to 4 no less frequently than quarterly. This system is intended primarily to reflect the underlying risk of a portfolio investment relative to our initial cost basis in respect of such portfolio investment (i.e. at the time of acquisition), although it may also take into account under certain circumstances 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 to our initial cost basis. The trends and risk factors for this investment since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit. Investments graded 3 involve a level of risk to our initial cost basis that is similar to the risk to our initial cost basis at the time of origination or acquisition. This portfolio company is generally performing as expected and the risk factors to our ability to ultimately recoup the cost of our investment are neutral to favorable. All investments or acquired investments in new portfolio companies are initially assessed a grade of 3. Investments graded 2 indicate that the risk to our ability to recoup the cost of such investment has increased materially since origination or acquisition, including as a result of factors such as declining performance and non-compliance with debt covenants; however, payments are generally not more than 120 days past due. An investment grade of 1 indicates that the risk to our ability to recoup the cost of such investment has substantially increased since origination or acquisition, and the portfolio company likely has materially declining performance. For debt investments with an investment grade of 1, most or all of the debt covenants are out of compliance and payments are substantially delinquent. For investments graded 1, it is not anticipated that we will be repaid in an amount equal to our full initial cost basis. For investments graded 1 or 2, our investment adviser enhances its level of scrutiny over the monitoring of such portfolio company.

Each investment acquired in the Allied Acquisition was initially assessed a grade of 3 (i.e., the grade we generally assign a portfolio company at acquisition) on April 1, 2010, the date of initial acquisition, reflecting the relative risk to our initial cost basis of such investments. Ares Capital grades the investments in its portfolio each quarter and it is possible that the grade of certain of these portfolio investments may be reduced or increased over time.

Set forth below is the distribution of our portfolio companies as of September 30, 2010 and December 31, 2009 (dollar amounts in thousands).

	September 30, 2010		**December 31, 2009**	
	Fair Value	**Number of Companies**	**Fair Value**	**Number of Companies**
Grade 1	$ 15,770	10	$ 7,170	8
Grade 2	90,290	7	154,509	9
Grade 3	3,767,699	158	1,796,641	70
Grade 4	276,031	9	213,494	8
	$ 4,149,790	184	$ 2,171,814	95

Table of Contents

As of September 30, 2010, the weighted average grade of the investments in our portfolio (excluding investments acquired in connection with the Allied Acquisition), the investments in our portfolio acquired in connection with the Allied Acquisition and the investments in our portfolio as a whole were each 3.0. The weighted average grade of the investments in our portfolio as of December 31, 2009 was 3.0.

As of September 30, 2010, non-accruing investments for the total portfolio were as follows:

- 2.2% of the total investments in our portfolio (excluding investments acquired in connection with the Allied Acquisition) at amortized cost (0.2% at fair value) were on non-accrual status;

- 5.3% of the total investments in our portfolio acquired in connection with the Allied Acquisition at amortized cost (5.0% at fair value) were on non-accrual status; and

- In total, 7.5% of the total investments in our portfolio at amortized cost (or 5.2% at fair value) were on non-accrual status.

As of December 31, 2009, 2.5% of the investments in our portfolio at amortized cost (or 0.5% at fair value) were on non-accrual status.

As of June 30 and September 30, 2010, core Ares Capital investments (excluding investments acquired in connection with the Allied Acquisition) on non-accrual status were 4.0% and 3.6%, respectively, at amortized cost of the core Ares Capital portfolio (excluding investments acquired in connection with the Allied Acquisition) and 0.4% and 0.3%, respectively, at fair value.

The weighted average yields of the following portions of our portfolio as of September 30, 2010 and December 31, 2009 were as follows:

	September 30, 2010		December 31, 2009	
	Fair Value	**Amortized Cost**	**Fair Value**	**Amortized Cost**
Debt and income producing securities	12.90%	13.10%	12.67%	12.08%
Debt and income producing securities for investments acquired as part of the Allied Acquisition	13.68%	14.35%	%	%
Total portfolio	10.17%	10.11%	11.19%	10.23%
Senior term debt	9.95%	9.67%	11.42%	10.62%
Senior subordinated debt	13.19%	12.76%	13.74%	12.47%
Subordinated Notes of Senior Secured Loan Program	15.96%	16.96%	17.00%	17.00%
Income producing equity securities	16.47%	19.04%	9.61%	10.52%
First lien senior term debt	9.29%	9.32%	10.67%	10.38%
Second lien senior term debt	13.04%	11.06%	12.92%	11.06%

Table of Contents

RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2010 and 2009

Operating results for the three and nine months ended September 30, 2010 and 2009 are as follows (in thousands):

	For the three months ended September 30, 2010	For the three months ended September 30, 2009	For the nine months ended September 30, 2010	For the nine months ended September 30, 2009
Total investment income	$ 138,126	$ 60,881	$ 326,226	$ 176,008
Total expenses	67,070	27,521	173,400	80,391
Net investment income before income taxes	71,056	33,360	152, 826	95,617
Income tax expense (benefit), including excise tax	(164)	454	360	563
Net investment income	71,220	32,906	152,466	95,054
Net realized gains (losses)	(350)	(1,656)	6,693	22,311
Net unrealized gains (losses)	57,507	32,026	179,911	15,698
Gain from acquisition of Allied Capital			195,876	
Net increase in stockholders' equity resulting from operations	$ 128,377	$ 63,276	$ 534,946	$ 133,063

Net income can vary substantially from period to period as a result of 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 September 30, 2010, total investment income increased $77.2 million, or 127%, to $138.1 million from $60.9 million for the comparable period in 2009. For the three months ended September 30, 2010, total investment income primarily consisted of $107.8 million in interest income from investments, $20.6 million in capital structuring service fees, $4.4 million in management fees and $3.9 million in dividend income. Interest income from investments increased $50.9 million, or 90%, to $107.8 million for the three months ended September 30, 2010 from $56.9 million for the comparable period in 2009. The increase in interest income from investments was primarily due to the increase in investments as the average investments at fair value increased from $2.0 billion for the three months ended September 30, 2009 to $4.0 billion for the three months ended September 30, 2010, which was largely due to the investments acquired as part of the Allied Acquisition. Interest income from investments acquired as part of the Allied Acquisition was approximately $46.6 million for the three months ended September 30, 2010. Capital structuring service fees earned for the three months ended September 30, 2010 were $20.6 million as compared to no capital structuring service fees earned for the three months ended September 30, 2009. The increase in capital structuring service fees was primarily due to the increase in new investment commitments for the three months ended September 30, 2010 as compared to the three months ended September 30, 2009. Capital structuring fees for the three months ended September 30, 2010 includes sourcing fees related to the Senior Secured Loan Program of $12.5 million. Management fees increased $4.3 million, or 4,757%, to $4.4 million for the three months ended September 30, 2010 from $0.1 million for the comparable period in 2009. The increase in management fees was primarily related to $2.5 million in management fees earned from the investments and management contracts acquired as part of the Allied Acquisition as well as $1.8 million in management fees earned from the Senior Secured Loan Program.

Table of Contents

For the nine months ended September 30, 2010, total investment income increased $150.2 million, or 85%, to $326.2 million from $176.0 million for the comparable period in 2009. For the nine months ended September 30, 2010, total investment income primarily consisted of $273.4 million in interest income from investments, $30.4 million in capital structuring service fees, $10.0 million in management fees and $7.8 million in dividend income. Interest income from investments increased $110.2 million, or 68%, to $273.4 million for the nine months ended September 30, 2010 from $163.2 million for the comparable period in 2009. The increase in interest income from investments was primarily due to the increase in investments as the average investments at fair value increased from $2.0 billion for the nine months ended September 30, 2009 to $3.2 billion for the nine months ended September 30, 2010, which was largely due to the investments acquired as part of the Allied Acquisition. Interest income from investments acquired as part of the Allied Acquisition were approximately $90.2 million for the nine months ended September 30, 2010. Capital structuring service fees increased $28.6 million, or 1,546%, to $30.4 million for the nine months ended September 30, 2010 from $1.8 million for the comparable period in 2009. The increase in capital structuring service fees was primarily due to the increase in new investment commitments for the nine months ended September 30, 2010 as compared to the nine months ended September 30, 2009. Capital structuring fees for the nine months ended September 30, 2010 includes sourcing fees related to the Senior Secured Loan Program of $15.1 million. Management fees increased $7.4 million, or 273%, to $10.1 million for the nine months ended September 30, 2010 from $2.7 million for the comparable period in 2009. The increase in management fees was primarily related to $5.4 million in management fees earned from the investments and management contracts acquired as part of the Allied Acquisition as well as $3.7 million in management fees earned related to the Senior Secured Loan Program.

Operating Expenses

For the three months ended September 30, 2010, total expenses increased $39.6 million, or 144%, to $67.1 million from $27.5 million for the comparable period in 2009. Interest expense and credit facility fees increased $17.0 million, or 298%, to $22.8 million for the three months ended September 30, 2010 from $5.7 million for the comparable period in 2009, primarily due to the additional interest expense incurred for the three months ended September 30, 2010 on Allied Capital's publicly issued unsecured notes assumed in the Allied Acquisition (the "Unsecured Notes") of $14.8 million. Base and incentive management fees increased $17.5 million, or 111%, to $33.2 million from $15.7 million in total for the comparable period in 2009, primarily due to the increase in investments and the related interest income on those investments as a result of the Allied Acquisition, partially offset by an increase in interest expense related to the assumption of the Unsecured Notes in the Allied Acquisition.

For the nine months ended September 30, 2010, total expenses increased $93.0 million, or 116%, to $173.4 million from $80.4 million for the comparable period in 2009. Interest expense and credit facility fees increased $35.8 million, or 193%, to $54.5 million for the nine months ended September 30, 2010 from $18.6 million for the comparable period in 2009, primarily due to the additional interest expense incurred for the nine months ended September 30, 2010 on the Unsecured Notes assumed in the Allied Acquisition of $29.8 million. For the nine months ended September 30, 2010, professional fees and other costs related to the Allied Acquisition increased $15.8 million, or 794%, to $17.8 million from $2.0 million for the comparable period in 2009. Base and incentive management fees increased $30.2 million, or 66%, to $76.5 million from $46.3 million in total for the comparable period in 2009, primarily due to the increase in investments and the related interest income on those investments as a result of the Allied Acquisition.

Table of Contents

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. To qualify as a RIC, the Company must, among other things, timely distribute to its stockholders generally at least 90% of its investment company taxable income, as defined by the Code, for each year. 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 and nine months ended September 30, 2010, the Company recorded no amounts for U.S. Federal excise tax. For the three months ended September 30, 2009, the Company recorded no amounts for U.S. Federal excise tax. For the nine months ended September 30, 2009, the Company recognized a $0.1 million benefit for U.S. Federal excise tax.

Certain of our subsidiaries are subject to U.S. Federal and state income taxes. For the three and nine months ended September 30, 2010, we recorded a tax (benefit)/expense of $(0.2) million and $0.4 million, respectively, for these subsidiaries, and for the three and nine months ended September 30, 2009, we recorded tax provisions of approximately $0.5 million and $0.6 million, respectively, for these subsidiaries.

Net Unrealized Gains/Losses

For the three months ended September 30, 2010, the Company had net unrealized gains of $57.5 million, which were primarily comprised of $115.6 million in unrealized appreciation, $59.4 million in unrealized depreciation and $1.3 million related to the reversal of prior period net unrealized depreciation. Of the total net unrealized gains for the three months ended September 30, 2010, $19.1 million were related to investments acquired as part of the Allied Acquisition, which were primarily comprised of $59.3 million in unrealized appreciation, $41.5 million in unrealized depreciation, and $1.3 million related to the reversal of prior period net unrealized depreciation. The most significant changes in net unrealized appreciation and depreciation for the total portfolio (excluding the reversal of prior period net unrealized depreciation) during the three months ended September 30, 2010 were as follows (in millions):

Portfolio Company		For the three months ended September 30, 2010 Net Unrealized Appreciation (Depreciation)
Senior Secured Loan Fund LLC(1)	$	12.8
Air Medical Group Holdings LLC		10.3
Stag-Parkway, Inc.		9.6
Hot Stuff Foods, LLC		6.0
DSI Renal, Inc.		5.2
Reflexite Corporation		4.5
Ivy Hill Asset Management, L.P.(1)		4.0
American Broadband Holding Company		4.0
Crescent Equity Corporation		3.6
Things Remembered, Inc.		3.2

Table of Contents

Portfolio Company		For the three months ended September 30, 2010 Net Unrealized Appreciation (Depreciation)
National Print Group, Inc.		3.1
Bumble Bee Foods, LLC		2.7
Canon Communications LLC		2.4
InSight Pharmaceuticals Corporation		2.4
CT Technologies Intermediate Holdings		2.3
Callidus Debt Partners Equity Interest, Ltd.		2.1
S.B. Restaurant Company		1.9
Vistar Corporation		1.8
Thermal Solutions LLC		1.8
Callidus Debt Partners CDO Fund VI, Ltd.		1.7
Industrial Container Services, LLC		1.5
Community Educations Centers, Inc.		1.5
Network Hardware Resale LLC		1.5
Bushnell, Inc.		1.5
PENN Detroit Diesel Allison LLC		1.4
Dryden XVIII Leveraged Loan 2007 Limited		1.4
Cleveland East Equity LLC		1.2
Callidus Debt Partners CDO Fund III, Ltd.		(1.0)
Prommis Solutions, LLC		(1.2)
Callidus Debt Partners CDO Fund I, Ltd.		(1.3)
Promo Works, LLC		(1.5)
Huddle House, Inc.		(1.8)
Pillar Holdings LLC		(2.1)
ADF Restaurant Group, LLC		(2.3)
Making Memories Wholesale, Inc.		(2.3)
Aquila Binks Forest Development,LLC		(2.4)
Ciena Capital LLC		(3.3)
Crescent Hotels & Resorts, LLC		(3.8)
Campus Management Corp.		(4.2)
Reed Group, Ltd.		(5.2)
Benefit Mall Holdings, Inc.		(8.0)
Coverall North America, Inc.		(8.7)
Other		9.9
Total	$	56.2

(1) See Note 10 to the consolidated financial statements for the period ended September 30, 2010.

For the three months ended September 30, 2009, the Company had net unrealized gains of $32.0 million, which was primarily comprised of $17.6 million in unrealized depreciation, $45.7 million in unrealized appreciation and $3.9 million related to the reversal of prior period net unrealized

Table of Contents

depreciation. The most significant changes in net unrealized appreciation and depreciation during the three months ended September 30, 2009 were as follows (in millions):

Portfolio Company	For the three months ended September 30, 2009 Unrealized Appreciation (Depreciation)
ADF Restaurant Group, LLC	$ 5.1
Imperial Capital Group, LLC	5.0
Wear Me Apparel, LLC	4.8
CT Technologies Holdings, LLC	2.8
Apple & Eve, LLC	2.3
OTG Management, Inc.	1.8
Best Brands Corporation	1.8
Capella Healthcare, Inc.	1.7
Bumble Bee Foods, LLC	1.7
Prommis Solutions, LLC	1.6
National Print Group, Inc.	1.6
Instituto de Banca y Comercio, Inc.	1.5
The Teaching Company, LLC	1.4
Pillar Holdings LLC	1.0
3091779 Nova Scotia Inc.	(1.1)
Wastequip, Inc.	(1.3)
AWTP, LLC	(1.4)
MPBP Holdings, Inc.	(1.9)
LVCG Holdings LLC	(2.0)
Canon Communications LLC	(2.2)
R3 Education, Inc.	(3.5)
Other	7.4
Total	$ 28.1

For the nine months ended September 30, 2010, the Company had net unrealized gains of $179.9 million, which was primarily comprised of $298.6 million in unrealized appreciation, $119.2 million in unrealized depreciation and $0.5 million related to the reversal of prior period net unrealized depreciation. Of the total net unrealized gains for the nine months ended September 30, 2010, $65.4 million was related to investments acquired as part of the Allied Acquisition, which was primarily comprised of $132.4 million in unrealized appreciation, $68.3 million in unrealized depreciation, and $1.3 million related to the reversal of prior period net unrealized depreciation. The most significant changes in net unrealized appreciation and depreciation for the total portfolio (excluding the reversal of prior period net unrealized depreciation) during the nine months ended September 30, 2010 were as follows (in millions):

Portfolio Company	For the nine months ended September 30, 2010 Net Unrealized Appreciation (Depreciation)
Senior Secured Loan Fund LLC(1)	$ 25.0
R3 Education, Inc.	15.7
Air Medical Group Holdings LLC	15.1
Stag-Parkway, Inc.	14.1
Ivy Hill Asset Management, L.P.(1)	12.5

Table of Contents

Portfolio Company	For the nine months ended September 30, 2010 Net Unrealized Appreciation (Depreciation)
DSI Renal, Inc.	11.6
Things Remembered, Inc.	10.1
S.B. Restaurant Company	7.1
Hot Stuff Foods, LLC	6.8
Callidus Debt Partners CDO Fund VI, Ltd.	6.4
Component Hardware Group, Inc.	5.5
Woodstream Corporation	5.4
American Broadband Holding Company	4.9
Industrial Container Services, LLC	4.9
Canon Communications LLC	4.8
Callidus Debt Partners CDO Fund VII, Ltd.	4.7
Callidus MAPS CLO Fund II, LLC	4.7
Reflexite Corporation	4.5
Bumble Bee Foods, LLC	4.4
Callidus MAPS CLO Fund I, Ltd.	4.1
Tradesmen International, Inc.	4.0
Vantage Oncology, Inc	3.7
Vistar Corporation	3.7
Instituto de Banca y Comercio, Inc.	3.7
Dryden XVIII Leveraged Loan 2007 Limited	3.6
Crescent Equity Corporation	3.6
Network Hardware Resale LLC	3.4
National Print Group, Inc.	3.2
OTG Management, Inc.	3.1
Callidus Debt Partners Equity Interest, Ltd.	3.1
CT Technologies Intermediate Holdings, Inc.	3.0
Callidus Debt Partners CDO Fund IV, Ltd.	2.9
Waste Pro USA, Inc.	2.7
Callidus Debt Partners CDO Fund V, Ltd.	2.4
NPH, Inc	2.3
ALD TBB/WIN Equity, LLC	2.3
Promo Works, LLC	2.3
eInstruction Corporation	2.2
Web Services Company, LLC	2.2
Community Education Centers, Inc.	2.1
Callidus Debt Partners CDO Fund III	2.1
Carador, PLC	2.1
Planet Organic Health Corp.	1.9
Growing Family, Inc.	1.7
Thermal Solutions LLC	1.5
Financial Pacific Company	1.5
PODS Funding Corp.	1.4
The Kenan Advantage Group, Inc.	1.4
Vistar Corporation	1.3
MVL Group, Inc.	1.2
Bushnell, Inc.	1.2
PRA International, Inc.	1.1

STS Operating, Inc.	1.0
Pangaea CLO 2007-1 Ltd.	(1.2)

Table of Contents

Portfolio Company	For the nine months ended September 30, 2010 Net Unrealized Appreciation (Depreciation)	
Callidus Debt Partners CDO Fund I, Ltd.		(1.4)
PENN Detroit Diesel Allison LLC		(1.5)
Distant Lands Trading Co.		(1.7)
Tranzact Holdings LLC		(1.8)
Border Foods, Inc.		(2.4)
Making Memories Wholesale, Inc.		(2.6)
The Step2 Company, LLC		(2.8)
Trivergance Capital Partners, LP		(2.9)
CNA Holding Corporation		(3.0)
Huddle House, Inc.		(3.4)
Knightsbridge CLO 2007-1 Ltd.		(3.6)
Knightsbridge CLO 2008-1 Ltd.		(3.7)
Eagle AC Holdings, Inc.		(3.8)
Coverall North America, Inc.		(4.3)
ADF Restaurant Group		(4.4)
Reed Group, Ltd.		(5.1)
Ciena Capital LLC		(5.1)
Aquila Binks Forest Development, LLC		(5.2)
MPBP Holdings, Inc.		(5.2)
Crescent Hotels & Resorts, LLC		(6.2)
FirstLight Financial Corporation		(7.4)
Other		6.9
Total	$	179.4

(1) See Note 10 to the consolidated financial statements for the period ended September 30, 2010.

For the nine months ended September 30, 2009, the Company had net unrealized gains of $15.7 million, which was primarily comprised of $81.4 million in unrealized depreciation and $91.8 million in unrealized appreciation and $5.3 million relating to the reversal of prior period net unrealized depreciation. The most significant changes in net unrealized appreciation and depreciation during the nine months ended September 30, 2009 were as follows (in millions):

Portfolio Company	For the nine months ended September 30, 2009 Unrealized Appreciation (Depreciation)	
Apple & Eve, LLC	$	10.5
Best Brands Corp.		8.2
Ivy Hill Asset Management, L.P.(1)		8.0
Capella Healthcare, Inc.		6.0
Wear Me Apparel, LLC		6.0
Imperial Capital Group, LLC		5.0
ADF Restaurant Group		4.9
Waste Pro USA, Inc.		4.2
Prommis Solutions, LLC		3.8
Booz Allen Hamilton, Inc.		3.5
DSI Renal, Inc.		2.8

Table of Contents

Portfolio Company		For the nine months ended September 30, 2009 Unrealized Appreciation (Depreciation)
Instituto de Banca y Comercio, Inc.		2.7
CT Technologies Holdings, LLC		2.4
Lakeland Finance, LLC		2.0
Pillar Holdings LLC		2.0
Bumble Bee Foods, LLC		1.7
Wyle Laboratories, Inc.		1.4
Savers, Inc.		1.4
Magnacare Holdings, Inc.		1.4
The Teaching Company, LLC		1.3
Encanto Restaurants, Inc.		1.2
American Residential Services, LLC		1.2
Hudson Group, Inc.		1.2
Diversified Collections Services, Inc.		1.0
Industrial Container Services, LLC		(1.3)
Planet Organic Health Corp.		(1.3)
Things Remembered, Inc.		(1.8)
HB&G Building Products		(1.8)
Sigma International Group, Inc.		(2.6)
Canon Communications LLC		(2.6)
VOTC Acquisition Corp.		(2.8)
National Print Group, Inc.		(2.8)
MPBP Holdings, Inc.		(3.2)
Growing Family, Inc.		(3.4)
R3 Education, Inc.		(3.4)
Courtside Acquisition Corp.		(3.4)
Wastequip, Inc.		(4.0)
AWTP, LLC		(4.1)
Direct Buy Holdings, Inc.		(4.2)
Summit Business Media, LLC		(4.7)
LVCG Holdings LLC		(6.5)
Reflexite Corporation		(10.6)
Firstlight Financial Corporation		(11.0)
Other		2.1
Total	$	10.4

(1) See Note 10 to the consolidated financial statements for the period ended September 30, 2010.

Net Realized Gains/Losses

During the three months ended September 30, 2010, the Company had $231.8 million of sales and repayments resulting in $1.2 million of net realized gains. Net realized gains on investments were comprised of $3.6 million of gross realized gains and $2.4 million of gross realized losses. Of the $1.2 million of net realized gains, approximately $1.0 million were from investments acquired as part of

Table of Contents

the Allied Acquisition. The most significant realized gains and losses on investments for the three months ended September 30, 2010 were as follows (in millions):

Portfolio Company	For the three months ended September 30, 2010 Realized Gain (Loss)	
Component Hardware Group, Inc.	$	1.9
Promo Works, LLC		1.4
Distant Lands Trading Co.		(1.8)
Other		(0.3)
Total	$	1.2

During the three months ended September 30, 2009, the Company had $104.4 million of sales and repayments resulting in $1.7 million of net realized losses. These sales and repayments included $5.0 million of loans sold to Ivy Hill I and Ivy Hill II, the two middle market credit funds managed by our affiliate, IHAM (see Note 10 to the consolidated financial statements for the period ended September 30, 2010 for more detail on IHAM and its managed funds). Net realized losses on investments were comprised of $12.8 million of gross realized gains and $14.5 of gross realized losses. The most significant realized gains and losses on investments for the three months ended September 30, 2009 were as follows (in millions):

Portfolio Company	For the three months ended September 30, 2009 Realized Gain (Loss)	
WastePro USA, Inc.	$	12.3
Making Memories Wholesale, Inc.		(14.2)
Other		0.2
Total	$	(1.7)

During the nine months ended September 30, 2010, the Company recognized a gain on the acquisition of Allied Capital of $195.9 million. Additionally, during the nine months ended September 30, 2010, the Company had $1.2 billion of sales and repayments resulting in $8.7 million of net realized gains. These sales and repayments included $94.5 million of loans sold to Ivy Hill I and Ivy Hill II, two middle market credit funds managed by our portfolio company, IHAM (see Note 10 to the consolidated financial statements for the period ended September 30, 2010 for more detail on IHAM and its managed funds). Net realized gains on investments were comprised of $26.2 million of gross realized gains and $17.5 million of gross realized losses. The most significant realized gains and losses on investments for the nine months ended September 30, 2010 were as follows (in millions):

Portfolio Company	For the nine months ended September 30, 2010 Realized Gain (Loss)	
DSI Renal, Inc.	$	3.9
Instituto de Banca y Comercio, Inc.		3.6
Best Brands Corp.		2.4
Component Hardware Group, Inc.		1.9
The Kenan Advantage Group, Inc.		1.8

Table of Contents

Portfolio Company		For the nine months ended September 30, 2010 Realized Gain (Loss)
Capella Healthcare, Inc.		1.6
Promo Works, LLC		1.4
Daily Candy, Inc.		1.3
Magnacare Holdings, Inc.		1.2
Wyle Laboratories, Inc.		1.2
Savers, Inc.		1.0
Arrow Group Industries		(1.2)
Distant Lands Trading Co.		(1.8)
Planet Organic Health Corp.		(1.8)
3091779 Nova Scotia, Inc.		(3.2)
Growing Family, Inc.		(7.6)
Other		3.0
Total	$	8.7

During the nine months ended September 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 $267.4 million of sales and repayments resulting in $4.2 million of net realized losses. These sales and repayments included $45.5 million of loans sold to Ivy Hill I and Ivy Hill II. Net realized losses on investments were comprised of $13.0 million of gross realized gains and $17.2 of gross realized losses. The most significant realized gains and losses on investments for the nine months ended September 30, 2009 were as follows (in millions):

Portfolio Company		For the nine months ended September 30, 2009 Realized Gain (Loss)
WastePro USA, Inc.	$	12.3
Capella Healthcare, Inc.		(1.0)
Instituto de Banca y Commercio, Inc.		(1.2)
Making Memories Wholesale, Inc.		(14.2)
Other		(0.1)
Total	$	(4.2)

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 and advances from the combined CP Funding Facility (and its predecessors) and Revolving Credit Facility, each as defined herein (together, the "Facilities"), as well as cash flows from operations. As part of the Allied Acquisition, the Company assumed all outstanding debt obligations of Allied Capital, including the Unsecured Notes, which consist of 6.625% Notes due on July 15, 2011 (the "2011 Notes"), 6.000% Notes due on April 1, 2012 (the "2012 Notes") and 6.875% Notes due on April 15, 2047 (the "2047 Notes").

As of September 30, 2010, the Company had $134 million in cash and cash equivalents and $1.5 billion in total indebtedness outstanding at carrying value ($1.6 billion at principal amount). Subject to leverage and borrowing base restrictions, the Company had approximately $495 million

Table of Contents

available for additional borrowings under the Facilities and Debt Securitization as of September 30, 2010. As our debt comes due, we will be required to repay or refinance our outstanding indebtedness. Our repayment and refinancing of our indebtedness will be affected by the levels of our available cash, our ordinary course cash flows and a range of economic, competitive and business factors, some of which are outside our control.

We are regularly in discussions with third parties regarding potential capital-raising opportunities, both in the public debt and equity capital markets as well as in the private markets. Based on market conditions, limitations contained in our existing debt instruments and under the Investment Company Act, our capital needs, interest rate conditions, and other factors, we may from time to time seek to execute financing opportunities which our management and board of directors believes to be in the best interests of our company. Such transactions could include, among other things, debt and equity public offerings, credit facilities, funding facilities, private placements of debt and equity securities, and other transactions, with lenders, underwriters, investment companies, institutional investors, and others.

Equity Offerings

The following table summarizes the total shares of common stock issued and proceeds we received in underwritten public offerings of our common stock net of underwriter, dealer-manager and offering costs for the nine months ended September 30, 2010 and 2009 (dollar amounts in millions, except per share data):

	Shares issued	Offering price per share	Proceeds net of underwriting and offering costs
February 2010 public offering	22,957,993	$ 12.75	$ 277.0
Total for the nine months ended September 30, 2010	22,957,993		$ 277.0
August 2009 public offering	12,439,908	$ 9.25	$ 109.1
Total for the nine months ended September 30, 2009	12,439,908		$ 109.1

In addition, in connection with the closing of the Allied Acquisition, on April 1, 2010, we issued 58,492,537 shares of common stock valued at approximately $872.7 million.

Part of the proceeds from the February 2010 and August 2009 public offerings were used to repay outstanding indebtedness. The remaining unused portions of the proceeds from these public offerings were used to fund investments in portfolio companies in accordance with our investment objective and strategies and market conditions.

As of September 30, 2010, total equity market capitalization for the Company was $3.0 billion compared to $1.4 billion as of December 31, 2009.

Table of Contents

Debt Capital Activities

Our debt obligations as of September 30, 2010 and December 31, 2009 consisted of the following (in millions):

	September 30, 2010 Carrying Value(1)	September 30, 2010 Total Available(2)	December 31, 2009 Carrying Value	December 31, 2009 Total Available(2)
CP Funding Facility	$ 283.4	$ 400.0	$ 221.6	$ 221.6
Revolving Credit Facility	431.0	810.0	474.1	525.0
CP Funding II Facility(3)				200.0
Debt Securitization	177.2	200.1	273.8	275.0
2011 Notes (principal amount outstanding of $300.6)	294.3(4)	300.6		
2012 Notes (principal amount outstanding of $161.2)	157.5(4)	161.2		
2047 Notes (principal amount outstanding of $230.0)	180.8(4)	230.0		
	$ 1,524.2	$ 2,101.9	$ 969.5	$ 1,221.6

(1) Except for the Unsecured Notes, all carrying values are the same as the principal amounts outstanding.

(2) Subject to borrowing base and leverage restrictions.

(3) The CP Funding II Facility was combined with the CP Funding Facility on January 22, 2010. In connection therewith the CP Funding II Facility was terminated.

(4) Represents the aggregate principal amount of the applicable series of notes less the unaccreted discount initially recorded as a part of the Allied Acquisition.

The weighted average interest rate and weighted average maturity, both on principal value, of all our outstanding borrowings as of September 30, 2010 were 4.63% and 8 years, respectively. The weighted average interest rate and weighted average maturity of all our outstanding borrowings as of December 31, 2009 were 2.05% and 3.8 years, respectively.

The ratio of total principal debt outstanding to stockholders' equity as of September 30, 2010 was 0.57:1.00 compared to 0.77:1.00 as of December 31, 2009. The ratio of total carrying value of debt to stockholders' equity as of September 30, 2010 was 0.55:1.00 compared to 0.77:1.00 as of December 31, 2009.

As required by the Investment Company Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as defined in the Investment Company Act, is at least 200% after such borrowing. As of September 30, 2010, our asset coverage for borrowed amounts was 282%.

CP Funding Facilities

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 (as amended, the "CP Funding Facility") that, as amended, allowed Ares Capital CP to issue up to $350 million of variable funding certificates. On May 7, 2009, the Company and Ares Capital CP entered into an amendment that, among other things, converted the CP Funding Facility from a revolving facility to an amortizing facility, extended the maturity from July 21, 2009 to May 7, 2012 and reduced the availability from $350 million to $225 million.

On July 21, 2009, we entered into an agreement with Wachovia Bank N.A. ("Wachovia") to establish a new revolving facility (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. Prior to its combination with the CP Funding Facility, the CP Funding II Facility was scheduled to expire on July 21, 2012.

On January 22, 2010, we combined the CP Funding Facility with the CP Funding II Facility into a single $400 million revolving securitized facility (the "combined CP Funding Facility"). In connection with the combination, we terminated the CP Funding II Facility and entered into an Amended and Restated Purchase and Sale Agreement with Ares Capital CP Funding Holdings LLC, our wholly owned subsidiary ("CP Holdings"), pursuant to which we may sell to CP Holdings certain loans that we have originated or acquired, or will originate or acquire from time to time, which CP Holdings will subsequently sell to Ares Capital CP, which is a wholly owned subsidiary of CP Holdings. The combined CP Funding Facility is secured by all of the assets held by, and the membership interest in, Ares Capital CP. The combined CP Funding Facility, among other things, extends the maturity date of the facility to January 22, 2013 (with two one-year extension options, subject to mutual consent). Prior to January 22, 2010, the interest rate charged on the CP Funding Facility was the commercial paper rate plus 3.50%. After January 22, 2010, subject to certain exceptions, the interest charged on the combined CP Funding Facility is based on LIBOR plus an applicable spread of between 2.25% and 3.75% or on a "base rate" (which is the higher of a prime rate, or the federal funds rate plus 0.50%) plus an applicable spread of between 1.25% to 2.75%, in each case, based on a pricing grid depending upon our credit rating. Additionally, we are required to pay a commitment fee of between 0.50% and 2.00% depending on the usage level on any unused portion of the combined CP Funding Facility. As of September 30, 2010, the effective LIBOR spread under the CP Funding Facility was 2.75%.

As of September 30, 2010, the principal amount outstanding under the combined CP Funding Facility was $283.4 million and the Company continues to be in material compliance with all of the limitations and requirements of the CP Funding Facility. See Note 7 to our consolidated financial statements for the period ended September 30, 2010 for more detail on the combined CP Funding Facility.

Revolving Credit Facility

In December 2005, we entered into the Revolving Credit Facility, under which, as amended, the lenders agreed to extend credit to the Company. On January 22, 2010, we entered into an agreement to amend and restate the Revolving Credit Facility. The amendment and restatement of the Revolving Credit Facility, among other things, increased the size of the facility from $525 million to $690 million (comprised of $615 million in commitments on a stand-alone basis and an additional $75 million in commitments contingent upon the closing of the Allied Acquisition), extended the maturity date from December 28, 2010 to January 22, 2013 and modified pricing. The Revolving Credit Facility also includes an "accordion" feature that allows us, under certain circumstances, to increase the size of the facility to a maximum of $1.05 billion. During the three months ended September 30, 2010, we exercised this "accordion" feature and increased the size of the facility by $60 million to bring the total facility size to $810 million. As of September 30, 2010, there was $431.0 million outstanding under the Revolving Credit Facility and the Company continues to be in material compliance with all of the limitations and requirements of the Revolving Credit Facility.

Prior to January 22, 2010, subject to certain exceptions, pricing on the Revolving Credit Facility was based on LIBOR plus 1.00% or on an "alternate base rate" (which was the highest of a prime rate, the federal funds rate plus 0.50%, or one month LIBOR plus 1.00%). After January 22, 2010, subject to certain exceptions, pricing under the Revolving Credit Facility is based on LIBOR plus an applicable spread of between 2.50% and 4.00% or on the "alternate base rate" plus an applicable spread of between 1.50% and 3.00%, in each case, based on a pricing grid depending upon our credit rating. As of September 30, 2010, the effective LIBOR spread under the Revolving Credit Facility was 3.00%. See Note 7 to our consolidated financial statements for the period ended September 30, 2010 for more detail on the Revolving Credit Facility.

Debt Securitization

In July 2006, through ARCC Commercial Loan Trust 2006, a vehicle serviced by our wholly owned subsidiary, ARCC CLO 2006 LLC ("ARCC CLO"), we completed a $400 million debt securitization (the "Debt Securitization") and issued approximately $314 million principal amount of asset-backed notes (including revolving notes in an aggregate amount of up to $50 million, $27.0 million of which were drawn down as of September 30, 2010) (the "CLO Notes") to third parties that were secured by a pool of middle market loans that have been purchased or originated by the Company. The CLO Notes are included in the September 30, 2010 consolidated balance sheet. We retained approximately $86 million of aggregate principal amount of certain BBB and non-rated securities in the Debt Securitization. During the first quarter of 2009, we repurchased $34.8 million of additional CLO Notes, bringing our total holdings of CLO Notes to $120.8 million (the "Retained Notes"). During the nine months ended September 30, 2010, we repaid $96.6 million of the CLO Notes.

The CLO Notes mature on December 20, 2019 and have a blended pricing of LIBOR plus 0.35%. As of September 30, 2010, there was $177.2 million outstanding under the Debt Securitization (excluding the Retained Notes). See Note 7 to our consolidated financial statements for the period ended September 30, 2010 for more detail on the Debt Securitization.

Publicly Issued Unsecured Notes Payable

As part of the Allied Acquisition, the Company assumed all outstanding debt obligations of Allied Capital, including the Unsecured Notes, which consist of the 2011 Notes, the 2012 Notes and the 2047 Notes.

	Carrying Value(1)
2011 Notes (principal amount of $300.6)	$ 294.3
2012 Notes (principal amount of $161.2)	157.5
2047 Notes (principal amount of $230.0)	180.8
Total	$ 632.6

(1) Represents the principal amount of the notes less the unaccreted discount initially recorded as a part of the Allied Acquisition.

The 2011 Notes and the 2012 Notes require payment of interest semi-annually, and all principal is due upon maturity. The Company has the option to redeem these notes in whole or in part, together with a redemption premium, as stipulated in the notes.

The 2047 Notes require payment of interest quarterly, and all principal is due upon maturity. These notes are redeemable in whole or in part at any time or from time to time on or after April 15, 2012, at par and upon the occurrence of certain tax events as stipulated in the notes.

In addition, the Company may purchase the Unsecured Notes in the market to the extent permitted by the Investment Company Act. During the three months ended September 30, 2010, the Company purchased $14.4 million of the 2011 Notes and $29.4 million of the 2012 Notes. As a result of these transactions a realized loss of $1.6 million was recognized during the period. During the nine months ended September 30, 2010, the Company purchased $19.4 million of the 2011 Notes and

$34.4 million of the 2012 Notes. As a result of these transactions a realized loss of $2.0 million was recognized during the period.

See Recent Developments and Note 17 to our consolidated financial statements for the period ended September 30, 2010 for more detail on the issuance of unsecured notes on October 21, 2010.

PORTFOLIO VALUATION

Investment transactions are recorded on the trade date. Realized gains or losses are computed using the specific identification method. 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, and a minimum 50% of our valuations of portfolio at fair value are subject to review by an independent valuation firm each quarter.

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 gains or losses that would be realized based on the valuations currently assigned. See the factors set forth in "Risk Factors" included in our annual report on Form 10-K for the fiscal year ended December 31, 2009, 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 in the future 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 valuations are reviewed and discussed with the entire investment portfolio and management team, and then valuation recommendations are presented to the board of directors.

The audit committee of our board of directors reviews these valuations, as well as the input of independent third-party valuation firms with respect to the valuations of a minimum of 50% of our portfolio at fair value.

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 third-party valuation firms.

Effective January 1, 2008, the Company adopted ASC 820-10 (previously SFAS No. 157, *Fair Value Measurements*), which expands the application of fair value accounting for investments (see Note 8 to the consolidated financial statements for the period ended September 30, 2010). Investments acquired as part of the Allied Acquisition were accounted for in accordance with ASC 805-10 (previously SFAS No. 141(R)), *Business Combinations*, which requires that all assets be recorded at fair value. As a result, the initial amortized cost basis and fair value for the acquired investments were the same value at April 1, 2010 (see Note 15 to the consolidated financial statements for the period ended September 30, 2010).

OFF BALANCE SHEET ARRANGEMENTS

As of September 30, 2010 and December 31, 2009, the Company had the following commitments to fund various revolving and delayed draw senior secured and subordinated loans to its portfolio companies (in millions):

	September 30, 2010	December 31, 2009
Total revolving and delayed draw commitments	$ 633.4	$ 136.8
Less: funded commitments	(382.6)	(37.2)
Total unfunded commitments	250.8	99.6
Less: commitments substantially at discretion of the Company	(63.4)	(4.0)
Less: unavailable commitments due to borrowing base or other covenant restrictions	(16.1)	(16.2)
Total net adjusted unfunded commitments	$ 171.3	$ 79.4

Of the total net adjusted unfunded commitments as of September 30, 2010, $78.1 million are from commitments for investments acquired as part of the Allied Acquisition. Also, of the total commitments as of September 30, 2010, $176.6 million extend beyond the maturity date for our Revolving Credit Facility. Included within the total commitments as of September 30, 2010 are commitments to issue up to $21.7 million in standby letters of credit through a financial intermediary

Table of Contents

on behalf of certain portfolio companies. Under these arrangements, the Company would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. As of September 30, 2010, the Company had $18.7 million in standby letters of credit issued and outstanding on behalf of the portfolio companies, of which no amounts were recorded as a liability on the balance sheet as they are considered in the valuation of the investments in the portfolio company. Of these letters of credit, $0.3 million expire in December 2010, $0.8 million expire in January 2011, $8.2 million expire in February 2011, $2.0 million expire in March 2011, $2.3 million expire in September 2011, and $5.1 million expire in December 2011.

As of September 30, 2010 and December 31, 2009, the Company was a party to subscription agreements to fund equity investments in private equity investment partnerships as follows (in millions):

	September 30, 2010	December 31, 2009
Total private equity commitments	$ 567.6	$ 428.3
Total unfunded private equity commitments	$ 442.5	$ 415.4

Of the total unfunded private equity commitments as of September 30, 2010, $400.5 million are substantially at the discretion of the Company. Additionally, of the total unfunded private equity commitments as of September 30, 2010, $28.1 million are for investments acquired as part of the Allied Acquisition.

As of September 30, 2010, one of the Company's portfolio companies, Ciena Capital LLC ("Ciena"), had one non-recourse securitization Small Business Administration ("SBA") loan warehouse facility, which has reached its maturity date but remains outstanding. Ciena is working with the providers of the SBA loan warehouse facility with regard to the repayment of that facility. Allied Capital had previously issued a performance guaranty (which Ares Capital succeeded to as a result of the Allied Acquisition) whereby Ares Capital must indemnify the warehouse providers for any damages, losses, liabilities and related costs and expenses that they may incur as a result of Ciena's failure to perform any of its obligations as loan originator, loan seller or loan servicer under the warehouse facility. As of September 30, 2010, there are no known issues or claims with respect to this performance guaranty.

See Notes 5 and 10 to the consolidated financial statements for the period ended September 30, 2010 for more information on the Company's commitment to the Senior Secured Loan Program.

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 difference 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 September 30, 2010, approximately 53% of the investments at fair value in our portfolio were at fixed rates while approximately 26% were at variable rates, 16% were non-interest earning and 5% were on non-accrual status. Additionally, as of September 30, 2010, 18% of the investments at fair value or 69% of the investments at fair value with variable rates contain interest rate floors. The Debt

Table of Contents

Securitization, the combined CP Funding Facility and the Revolving Credit Facility all bear interest at variable rates while the Unsecured Notes bear interest at fixed 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 an interest rate swap agreement that ends on December 20, 2010, 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.

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 September 30, 2010 balance sheet, the following table shows the annual impact on net income of base rate changes in interest rates (considering interest rate floors for variable rate instruments) 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 to the consolidated financial statements for the period ended September 30, 2010 (in millions):

Basis Point Change	Interest Income	Interest Expense	Net Income
Up 300 basis points	$ 20.5	$ 24.5	$ (4.0)
Up 200 basis points	$ 11.7	$ 16.3	$ (4.6)
Up 100 basis points	$ 4.5	$ 8.2	$ (3.7)
Down 100 basis points	$ (1.4)	$ (5.0)	$ 3.6
Down 200 basis points	$ (1.6)	$ (5.0)	$ 3.4
Down 300 basis points	$ (1.7)	$ (5.0)	$ 3.3

Based on our December 31, 2009 balance sheet, the following table shows the annual impact on net income of base rate changes in interest rates (considering interest rate floors for variable rate instruments) 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 to the consolidated financial statements for the period ended September 30, 2010 (in millions):

Basis Point Change	Interest Income	Interest Expense	Net Income
Up 300 basis points	$ 17.6	$ 26.8	$ (9.2)
Up 200 basis points	$ 11.2	$ 17.9	$ (6.7)
Up 100 basis points	$ 5.6	$ 8.9	$ (3.3)
Down 100 basis points	$ (2.1)	$ (2.9)	$ 0.8
Down 200 basis points	$ (3.1)	$ (2.9)	$ (0.2)
Down 300 basis points	$ (4.1)	$ (2.9)	$ (1.2)

Table of Contents

CAPITALIZATION

The following table sets forth (a) our actual capitalization at September 30, 2010 and (b) our pro forma capitalization to reflect the effects of the sale of our common stock in this offering (assuming that the underwriters do not exercise their overallotment option) at the public offering price of $16.50 per share, after deducting the underwriting discounts and commissions and estimated 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 or the accompanying prospectus.

	As of September 30, 2010 (unaudited, dollar amounts in thousands)	
	Actual	**Pro Forma**
Cash and cash equivalents	$ 134,362	$ 134,362
Debt(1)		
CP Funding Facility	$ 283,374	$ 283,374
Revolving Credit Facility	431,000	274,125
CLO Notes under the Debt Securitization	177,163	177,163
2011 Notes	294,333	294,333
2012 Notes	157,523	157,523
2047 Notes	180,750	180,750
Total Debt	$ 1,524,143	$ 1,367,268
Stockholders' Equity		
Common stock, par value $.001 per share, 300,000,000 common shares authorized, 192,566,434 and 202,566,434 common shares issued and outstanding, respectively	$ 193	$ 203
Capital in excess of par value	2,656,890	2,813,755
Accumulated overdistributed net investment income	(25,264)	(25,264)
Accumulated net realized gain on investments, foreign currency transactions, extinguishment of debt and acquisitions	171,454	171,454
Net unrealized loss on investments and foreign currency transactions	(24,797)	(24,797)
Total stockholders' equity	$ 2,778,476	$ 2,935,351
Total capitalization	$ 4,302,619	$ 4,302,619

(1) The above table reflects the carrying value of indebtedness outstanding as of September 30, 2010. However, on October 21, 2010, we issued $200 million of the 2040 Notes, the proceeds of which were used to pay down outstanding indebtedness under the Revolving Credit Facility. As of November 8, 2010, outstanding indebtedness under the Revolving Credit Facility and the CP Funding Facility was $169 million and $321 million, respectively. For pro forma purposes, the above table assumes that net proceeds from the sale of our common stock in this offering are used to paydown outstanding indebtedness under the Revolving Credit Facility as of September 30, 2010.

Table of Contents

UNDERWRITING

Wells Fargo Securities, LLC, Merrill Lynch, Pierce Fenner & Smith Incorporated and SunTrust Robinson Humphrey, Inc. are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in a purchase agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Wells Fargo Securities, LLC	1,940,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1,940,000
SunTrust Robinson Humphrey, Inc.	1,940,000
Deutsche Bank Securities Inc.	970,000
Morgan Stanley & Co. Incorporated	970,000
BB&T Capital Markets, a division of Scott & Stringfellow, LLC	727,500
BMO Capital Markets Corp.	727,500
Stifel, Nicolaus & Company, Incorporated	485,000
JMP Securities LLC	300,000
Total	10,000,000

Subject to the terms and conditions set forth in the purchase agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the purchase agreement if any of these shares are purchased. If an underwriter defaults, the purchase agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreement may be terminated.

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 representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $0.4455 per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their overallotment option.

	Per Share	Without Option	With Option
Public offering price	$ 16.5000	$ 165,000,000	$ 189,750,000
Underwriting discount	$ 0.7425	$ 7,425,000	$ 8,538,750
Proceeds, before expenses, to us	$ 15.7575	$ 157,575,000	$ 181,211,250

Table of Contents

The expenses of the offering, not including the underwriting discount, are estimated at $0.7 million and are payable by us.

Overallotment Option

We have granted an option to the underwriters to purchase up to 1,500,000 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 supplement solely to cover any overallotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the purchase agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

No Sales of Similar Securities

We have agreed, with exceptions, not to sell or transfer any common stock for 45 days after the date of this prospectus supplement without first obtaining the written consent of Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and SunTrust Robinson Humphrey, Inc.

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 45 days after the date of this prospectus supplement without first obtaining the written consent of Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and SunTrust Robinson Humphrey, Inc. Specifically, we and these other persons have agreed, with certain limited exceptions, 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 lock-up 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. In the event that either (x) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to the Company occurs or (y) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

NASDAQ Global Select Market Listing

The shares are listed on the NASDAQ Global Select Market under the symbol "ARCC."

Table of Contents

Price Stabilization, Short Positions

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

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' overallotment option described above. The underwriters may close out any covered short position by either exercising their overallotment option or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the overallotment option. "Naked" short sales are sales in excess of the overallotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the NASDAQ Global Select Market, in the over-the-counter market or otherwise.

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

Passive Market Making

In connection with this offering, underwriters and selling group members may engage in passive market making transactions in the common stock on the NASDAQ Global Select Market in accordance with Rule 103 of Regulation M under the Exchange Act during a period before the commencement of offers or sales of common stock and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specified purchase limits are exceeded. Passive market making may cause the price of our common stock to be higher than the price that otherwise would exist in the open market in the absence of those transactions. The underwriters and dealers are not required to engage in passive market making and may end passive market making activities at any time.

Electronic Offer, Sale and Distribution of Shares

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 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 have received or 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 their affiliates and managed funds.

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

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 or other debt instruments and are also lenders to private investment funds managed by Ivy Hill Asset Management, L.P., our portfolio company. Certain of the underwriters and their affiliates were underwriters in connection with our initial public offering and our subsequent common stock and debt offerings and rights offering, for which they received customary fees.

Frank E. O'Bryan and Greg Penske, two of our independent directors, hold certain securities of one or more of this offering's underwriters (or their affiliates). As a result, each of Mr. O'Bryan and Mr. Penske may be considered an "interested person" of the Company during the pendency of this offering under relevant rules of the Investment Company Act.

The principal business address of Wells Fargo Securities, LLC is 375 Park Avenue, New York, New York 10152. The principal business address of Merrill Lynch, Pierce, Fenner & Smith Incorporated is One Bryant Park, New York, NY 10036. The principal business address of SunTrust Robinson Humphrey, Inc. is 3333 Peachtree Road, NE, Atlanta, GA 30326. The principal business

Table of Contents

address of Deutsche Bank Securities, Inc. is 60 Wall Street, New York, NY 10005. The principal business address of Morgan Stanley & Co. Incorporated is 1585 Broadway, New York, NY 10036. The principal business address of BB&T Capital Markets, a division of Scott & Stringfellow, LLC, is 901 E. Byrd Street, Suite 410, Richmond, Virginia 23219. 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. The principal business address of JMP Securities LLC is 600 Montgomery Street, 10th Floor, San Francisco, CA 94111.

Conflicts of Interest

Proceeds of this offering will be used to repay or repurchase outstanding indebtedness under (a) the Revolving Credit Facility and (b) the CP Funding Facility. Affiliates of certain of the underwriters, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, SunTrust Robinson Humphrey, Inc., Deutsche Bank Securities Inc., Morgan Stanley & Co. Incorporated and BMO Capital Markets Corp., are lenders under the Revolving Credit Facility and affiliates of certain of the underwriters, including Wells Fargo Securities, LLC, are lenders under the CP Funding Facility. Accordingly, affiliates of certain of the underwriters will receive more than 5% of the proceeds of this offering which are used to repay or repurchase outstanding indebtedness under the Revolving Credit Facility and the CP Funding Facility.

Notice to Prospective Investors in the EEA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares which are the subject of the offering contemplated by this prospectus (the "Shares") may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) by the underwriters to fewer than 100 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication by us or any representative of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of shares within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of shares through any financial intermediary, other than offers made by the underwriters which constitute the final offering of shares contemplated in this prospectus.

For the purposes of this provision, and your representation below, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any shares under, the offer of shares contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

(A) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" (as defined in the Prospectus Directive), or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or (ii) where shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, Ares Capital Corporation or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

Table of Contents

Notice to Prospective Investors in the Dubai International Financial Centre

This document relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This document is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this document nor taken steps to verify the information set forth herein and has no responsibility for this document. The shares to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorized financial advisor.

Table of Contents

LEGAL MATTERS

Certain legal matters in connection with the offering will be passed upon for us 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 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.

Table of Contents

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

	As of September 30, 2010 (unaudited)	As of December 31, 2009
ASSETS		
Investments at fair value (amortized cost of $4,174,139 and $2,376,384, respectively)		
Non-controlled/non-affiliate company investments	$ 2,343,641	$ 1,568,423
Non-controlled affiliate company investments	565,988	276,351
Controlled affiliate company investments	1,240,161	327,040
Total investments at fair value	4,149,790	2,171,814
Cash and cash equivalents	134,362	99,227
Interest receivable	88,184	28,019
Other assets	59,845	14,455
Total assets	$ 4,432,181	$ 2,313,515
LIABILITIES		
Debt	$ 1,524,143	$ 969,465
Management and incentive fees payable	33,241	66,495
Accounts payable and accrued expenses	79,996	16,533
Interest and facility fees payable	16,325	2,645
Payable for open trades		489
Total liabilities	1,653,705	1,055,627
Commitments and contingencies (Note 6)		
STOCKHOLDERS' EQUITY		
Common stock, par value $.001 per share, 300,000,000 common shares authorized, 192,566,434 and 109,944,674 common shares issued and outstanding, respectively	193	110
Capital in excess of par value	2,656,890	1,490,458
Accumulated (overdistributed) undistributed net investment income	(25,264)	3,143
Accumulated net realized gain (loss) on investments, foreign currency transactions, extinguishment of debt and acquisitions	171,454	(31,115)
Net unrealized loss on investments and foreign currency transactions	(24,797)	(204,708)
Total stockholders' equity	2,778,476	1,257,888
Total liabilities and stockholders' equity	$ 4,432,181	$ 2,313,515
NET ASSETS PER SHARE	$ 14.43	$ 11.44

See accompanying notes to consolidated financial statements.

Table of Contents

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

	For the three months ended		For the nine months ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
INVESTMENT INCOME:				
From non-controlled/non-affiliate company investments:				
Interest from investments	$ 66,319	$ 49,728	$ 177,285	$ 138,866
Capital structuring service fees	8,122		15,258	1,653
Management fees	1,711	29	4,261	29
Dividend income	1,381	525	3,299	1,568
Interest from cash & cash equivalents	47	35	75	245
Other income	1,094	1,501	3,648	4,198
Total investment income from non-controlled/non-affiliate company investments	78,674	51,818	203,826	146,559
From non-controlled affiliate company investments:				
Interest from investments	13,607	4,916	33,602	17,019
Dividend income	127	148	318	285
Management fees	75	63	363	1,380
Other income	63	140	485	308
Total investment income from non-controlled affiliate company investments	13,872	5,267	34,768	18,992
From controlled affiliate company investments:				
Interest from investments	27,908	2,255	62,545	7,348
Capital structuring service fees	12,489		15,146	194
Dividend income	2,415	1,511	4,211	1,511
Management fees	2,652		5,430	1,286
Other income	116	30	300	118
Total investment income from controlled affiliate company investments	45,580	3,796	87,632	10,457
Total investment income	138,126	60,881	326,226	176,008
EXPENSES:				
Interest and credit facility fees	22,755	5,721	54,453	18,603
Incentive management fees	17,805	8,227	40,922	23,764
Base management fees	15,436	7,508	35,574	22,502
Professional fees	3,233	2,044	9,191	5,749
Administrative	2,642	809	6,251	2,905
Professional fees and other costs related to the acquisition of Allied Capital Corporation	1,450	1,989	17,773	1,989
Rent	1,565	301	3,659	1,458
Insurance	539	313	1,433	988
Depreciation	252	167	662	505
Directors fees	198	134	476	370
Other	1,195	308	3,006	1,558
Total expenses	67,070	27,521	173,400	80,391
NET INVESTMENT INCOME BEFORE INCOME TAXES	71,056	33,360	152,826	95,617
Income tax expense (benefit), including excise tax	(164)	454	360	563
NET INVESTMENT INCOME	71,220	32,906	152,466	95,054
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS:				
Net realized gains (losses):				

Non-controlled/non-affiliate company investments	1,225	12,049	10,998	9,887
Non-controlled affiliate company investments	9		(3,725)	(482)
Controlled affiliate company investments	(6)	(13,705)	1,296	(13,705)
Foreign currency transactions			85	68
Net realized gains (losses)	1,228	(1,656)	8,654	(4,232)
Net unrealized gains (losses):				
Non-controlled/non-affiliate company investments	17,509	(552)	113,590	1,336
Non-controlled affiliate company investments	16,064	14,916	35,152	3,644
Controlled affiliate company investments	23,934	17,699	31,321	10,773
Foreign currency transactions		(37)	(152)	(55)
Net unrealized gains (losses)	57,507	32,026	179,911	15,698
Net realized and unrealized gains (losses) from investments and foreign currency transactions	58,735	30,370	188,565	11,466
GAIN ON THE ACQUISITION OF ALLIED CAPITAL CORPORATION			195,876	
REALIZED GAIN (LOSS) ON EXTINGUISHMENT OF DEBT	(1,578)		(1,961)	26,543
NET INCREASE IN STOCKHOLDERS' EQUITY RESULTING FROM OPERATIONS	$ 128,377	$ 63,276	$ 534,946	$ 133,063
BASIC AND DILUTED EARNINGS PER COMMON SHARE (Note 4)	$ 0.67	$ 0.62	$ 3.16	$ 1.34
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING BASIC AND DILUTED (Note 4)	192,167,337	102,831,909	169,499,905	99,066,652

See accompanying notes to consolidated financial statements.

Table of Contents

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of September 30, 2010 (unaudited)
(dollar amounts in thousands, except per unit data)

Company(1)	Industry	Investment	Interest(5)(10)	Acquisition Date	Amortized Cost	Fair Value	Fair Value Per Unit	Percentage of Net Assets
Investment Funds								
AGILE Fund I, LLC(7)	Investment partnership	Member interest (0.50% interest)		4/1/2010	$ 264	$ 217	(16)	
BB&T Capital Partners/Windsor Mezzanine Fund, LLC(6)	Investment partnership	Member interest (32.59% interest)		4/1/2010	12,877	15,190		
Callidus Debt Partners CDO Fund I, Ltd.(8)	Investment company	Class C notes ($18,800 par due 12/2013)	4.59%	4/1/2010	2,518	1,448	$ 0.08(16)	
		Class D notes ($9,400 par due 12/2013)		4/1/2010			$ (13)(16)	
					2,518	1,448		
Callidus Debt Partners CLO Fund III, Ltd.(8)	Investment company	Preferred shares (23,600,000 shares)	9.05%	4/1/2010	4,753	6,874	$ 0.31(16)	
Callidus Debt Partners CLO Fund IV, Ltd.(8)	Investment company	Class D notes ($3,000 par due 4/2020)	4.84% (Libor + 4.55%/Q)	4/1/2010	1,789	1,741	$ 0.58(16)	
		Subordinated notes ($17,500 par due 4/2020)	14.03%	4/1/2010	7,216	10,285	$ 0.59(16)	
					9,005	12,026		
Callidus Debt Partners CLO Fund V, Ltd.(8)	Investment company	Subordinated notes ($14,150 par due 11/2020)	19.70%	4/1/2010	8,692	11,096	$ 0.78(16)	