



Second Quarter 2016
Earnings Presentation

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Financial and Portfolio Highlights

Financial Highlights

(all per share amounts, excluding net asset value per share, are basic and diluted)

	Q2-16	Q1-16	Q2-15
Core EPS ^{*(1)}	\$ 0.39	\$ 0.37	\$ 0.37
Net Investment Income Per Share	\$ 0.34	\$ 0.36	\$ 0.35
Net Realized Gains Per Share	\$ 0.10	\$ 0.09	\$ 0.08
Net Unrealized Gains (Losses) Per Share	\$ 0.06	\$ (0.03)	\$ 0.04
GAAP Net Income Per Share	\$ 0.50	\$ 0.42	\$ 0.47
Net Asset Value Per Share	\$ 16.62	\$ 16.50	\$ 16.80

Portfolio Highlights

(dollar amounts in millions)

	Q2-16	Q1-16	Q2-15
Gross Commitments	\$ 539.9	\$ 470.6	\$ 820.3
Exits of Commitments ⁽²⁾	\$ 758.8	\$ 484.3	\$ 783.1
Total Fair Value of Investments	\$ 8,900.4	\$ 9,072.1	\$ 8,573.4
Weighted Average Yield of Debt & Other Income Producing Securities at Amortized Cost ⁽³⁾	9.8%	10.1%	10.6%
Weighted Average Yield on Total Investments at Amortized Cost ⁽⁴⁾	8.9%	9.2%	9.7%

*See page 22 hereof for reconciliations of basic and diluted Core EPS to GAAP EPS, the most directly comparable GAAP financial measure.

Note: Endnotes begin on page 23.

Selected Historical Financial Information

As of and for the Three Months Ended

(unaudited)

(Dollar amounts in 000s, except per share data and stock prices)

	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15
Core EPS – Basic and Diluted ⁽¹⁾	\$ 0.39	\$ 0.37	\$ 0.40	\$ 0.41	\$ 0.37
Net Investment Income Per Share – Basic and Diluted	\$ 0.34	\$ 0.36	\$ 0.47	\$ 0.42	\$ 0.35
Net Realized and Unrealized Gains (Losses) Per Share – Basic and Diluted	\$ 0.16	\$ 0.06	\$ (0.42)	\$ (0.05)	\$ 0.12
GAAP EPS – Basic and Diluted	\$ 0.50	\$ 0.42	\$ 0.05	\$ 0.37	\$ 0.47
Dividend Declared and Payable Per Share	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38
Stockholders' Equity	\$ 5,218,041	\$ 5,179,944	\$ 5,173,332	\$ 5,279,802	\$ 5,282,441
Net Asset Value Per Share	\$ 16.62	\$ 16.50	\$ 16.46	\$ 16.79	\$ 16.80
Principal Debt/Book Equity Ratio	.74x	.78x	.81x	.70x	.69x
Principal Debt/Book Equity Ratio, Net of Available Cash ⁽⁵⁾	.72x	.77x	.77x	.66x	.64x
Unsecured Principal Debt to Total Principal Debt	64.6%	67.1%	78.6%	94.2%	96.3%
Weighted Average Stated Interest on Debt ⁽⁶⁾	3.9%	4.0%	4.4%	5.0%	5.0%
Net Interest and Dividend Margin ⁽⁷⁾	7.8%	7.7%	7.7%	7.6%	7.6%
Ratio of Earnings to Fixed Charges ⁽⁸⁾	3.6	3.4	3.4	3.3	3.1
Market Capitalization					
Principal Debt	\$ 3,859,557	\$ 4,062,557	\$ 4,196,557	\$ 3,715,557	\$ 3,648,557
Equity	4,458,147	4,659,077	4,479,445	4,553,507	5,176,155
Total Market Capitalization	<u>\$ 8,317,704</u>	<u>\$ 8,721,634</u>	<u>\$ 8,676,002</u>	<u>\$ 8,269,064</u>	<u>\$ 8,824,712</u>
Common Stock Data:					
High Price during the period	\$ 15.38	\$ 14.84	\$ 15.87	\$ 16.58	\$ 17.30
Low Price during the period	\$ 13.87	\$ 12.54	\$ 13.97	\$ 14.06	\$ 16.01
Closing Price	\$ 14.20	\$ 14.84	\$ 14.25	\$ 14.48	\$ 16.46

*See page 22 hereof for reconciliations of basic and diluted Core EPS to GAAP EPS, the most directly comparable GAAP financial measure

Selected Historical Financial Information (cont'd)

As of and for the Three Months Ended

(unaudited)

(Dollar amounts in 000s)

	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15
Investments at Fair Value	\$ 8,900,377	\$ 9,072,101	\$ 9,055,496	\$ 8,692,480	\$ 8,573,395
Number of Portfolio Companies ⁽⁹⁾	214	220	218	216	207
Asset Class (at fair value):					
First Lien Senior Secured Loans	29%	29%	29%	31%	32%
Second Lien Senior Secured Loans	31%	31%	32%	30%	27%
Senior Secured Loan Program*	21%	21%	21%	23%	25%
Senior Subordinated Debt	8%	8%	7%	7%	6%
Preferred Equity	4%	4%	4%	2%	2%
Other Equity and Other	7%	7%	7%	7%	8%
Interest Rate Type (at fair value):					
% Floating Rate ⁽¹⁰⁾	80%	80%	80%	81%	81%
% Fixed Rate	10%	10%	9%	9%	9%
% Equity and Other Non-Interest Earning	10%	10%	11%	10%	10%
Yields:					
Weighted Avg. Yield on Debt and Other Income Producing Securities at Amortized Cost ⁽³⁾	9.8%	10.1%	10.1%	10.3%	10.6%
Weighted Avg. Yield on Debt and Other Income Producing Securities at Fair Value ⁽³⁾	9.9%	10.3%	10.3%	10.4%	10.6%
Weighted Average Yield on Total Investments at Amortized Cost ⁽⁴⁾	8.9%	9.2%	9.1%	9.4%	9.7%
Weighted Average Yield on Total Investments at Fair Value ⁽⁴⁾	9.0%	9.3%	9.2%	9.3%	9.6%
Commitments:					
Gross Commitments	\$ 539,883	\$ 470,645	\$ 972,208	\$ 1,523,886	\$ 820,324
Exits of Commitments ⁽²⁾	(758,829)	(484,343)	(569,095)	(1,340,485)	(783,106)
Net Commitments ⁽¹¹⁾	\$ (218,946)	\$ (13,698)	\$ 403,113	\$ 183,401	\$ 37,218
Gross Commitments Information:					
Number of Transactions	11	19	24	23	21
Weighted Average Commitment Term in Months	64	59	58	66	78
Average Commitment in Period	\$ 49,080	\$ 24,771	\$ 40,509	\$ 66,256	\$ 39,063
Fundings:					
Gross Fundings	\$ 517,665	\$ 498,261	\$ 1,023,067	\$ 1,486,544	\$ 817,749
Net Fundings ⁽¹¹⁾	\$ (202,303)	\$ 14,849	\$ 509,806	\$ 179,126	\$ 71,132
Portfolio Turnover	0.06	0.05	0.06	0.15	0.09

*Represents Ares Capital's portion of co-investments with General Electric Capital Corporation and GE Global Sponsor Finance LLC (collectively, "GE") in first lien senior secured loans to middle market companies. As of June 30, 2016, there were 32 different borrowers in the Senior Secured Loan Program (the "SSLP") portfolio.⁽¹²⁾

Quarterly Operating Results

For the Three Months Ended

(unaudited)

(Amounts in 000s, except per share data)

	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15
Investment income	\$ 245,262	\$ 248,050	\$ 261,676	\$ 260,948	\$ 249,479
Expenses	135,992	130,124	103,846	129,587	138,360
Net investment income before income taxes	109,270	117,926	157,830	131,361	111,119
Income tax expense, including excise tax	4,006	5,196	10,727	884	2,616
Net investment income	105,264	112,730	147,103	130,477	108,503
Net realized and unrealized gains (losses)	52,136	18,811	(132,390)	(13,618)	38,019
Net Income	\$ 157,400	\$ 131,541	\$ 14,713	\$ 116,859	\$ 146,522
Per Share:					
Core EPS - Basic and Diluted ^{*(1)}	\$ 0.39	\$ 0.37	\$ 0.40	\$ 0.41	\$ 0.37
Net Income - Basic and Diluted	\$ 0.50	\$ 0.42	\$ 0.05	\$ 0.37	\$ 0.47
Dividends Declared and Payable	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38
Weighted average shares of common stock outstanding - Basic and Diluted	313,954	314,293	314,450	314,469	314,469
Common shares outstanding at end of period	313,954	313,954	314,347	314,469	314,469

For the Six Months Ended

(unaudited)

(Amounts in 000s, except per share data)

	6/30/16	6/30/15
Investment income	\$ 493,312	\$ 502,726
Expenses	266,116	266,405
Net investment income before taxes	227,196	236,321
Income tax expense, including excise tax	9,202	6,141
Net investment income	217,994	230,180
Net realized and unrealized gains (losses)	70,947	16,918
Net Income	\$ 288,941	\$ 247,098
Per Share:		
Core EPS - Basic and Diluted ^{*(1)}	\$ 0.76	\$ 0.74
Net Income - Basic and Diluted	\$ 0.92	\$ 0.79
Dividends Declared and Payable	\$ 0.76	\$ 0.81
Weighted average shares of common stock outstanding - Basic and Diluted	314,124	314,289
Common shares outstanding at end of period	313,954	314,469

*See page 22 hereof for reconciliations of basic and diluted Core EPS to GAAP EPS, the most directly comparable GAAP financial measure.

Quarterly Operating Results Detail

	For the Three Months Ended				
	(unaudited)				
	(Amounts in 000s)				
	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15
Net Investment Income Before Income Taxes:					
Investment Income:					
Interest income from investments	\$ 204,023	\$ 207,122	\$ 209,487	\$ 207,937	\$ 201,272
Capital structuring service fees	12,170	15,660	21,523	29,768	23,082
Dividend income	20,735	16,544	20,038	14,083	14,825
Management and other fees	4,605	5,022	5,485	6,148	6,235
Other income	3,729	3,702	5,143	3,012	4,065
	<u>245,262</u>	<u>248,050</u>	<u>261,676</u>	<u>260,948</u>	<u>249,479</u>
Expenses:					
Interest and credit facility fees	45,334	50,243	55,353	56,618	56,421
Base management fees	34,444	34,759	34,125	33,284	33,021
Income based fees	28,923	29,122	31,234	31,842	28,949
Capital gains incentive fees*	10,427	3,762	(27,555)	(2,628)	7,682
Administrative fees	3,342	3,423	3,729	3,545	3,514
Professional fees and other costs related to the American Capital Acquisition ⁽¹³⁾	6,546	1,465	—	—	—
Other general and administrative	6,976	7,350	6,960	6,926	8,773
	<u>135,992</u>	<u>130,124</u>	<u>103,846</u>	<u>129,587</u>	<u>138,360</u>
Net investment income before income taxes	109,270	117,926	157,830	131,361	111,119
Income tax expense, including excise tax	4,006	5,196	10,727	884	2,616
Net investment income	<u>\$ 105,264</u>	<u>\$ 112,730</u>	<u>\$ 147,103</u>	<u>\$ 130,477</u>	<u>\$ 108,503</u>

*As required by GAAP. As of June 30, 2016, Ares Capital had accrued \$56.5 million of incentive fees payable related to capital gains under GAAP; however, such amount is not actually payable under Ares Capital's investment advisory and management agreement with its investment adviser, Ares Capital Management (the "Investment Advisory and Management Agreement").

Quarterly Gain/Loss Detail

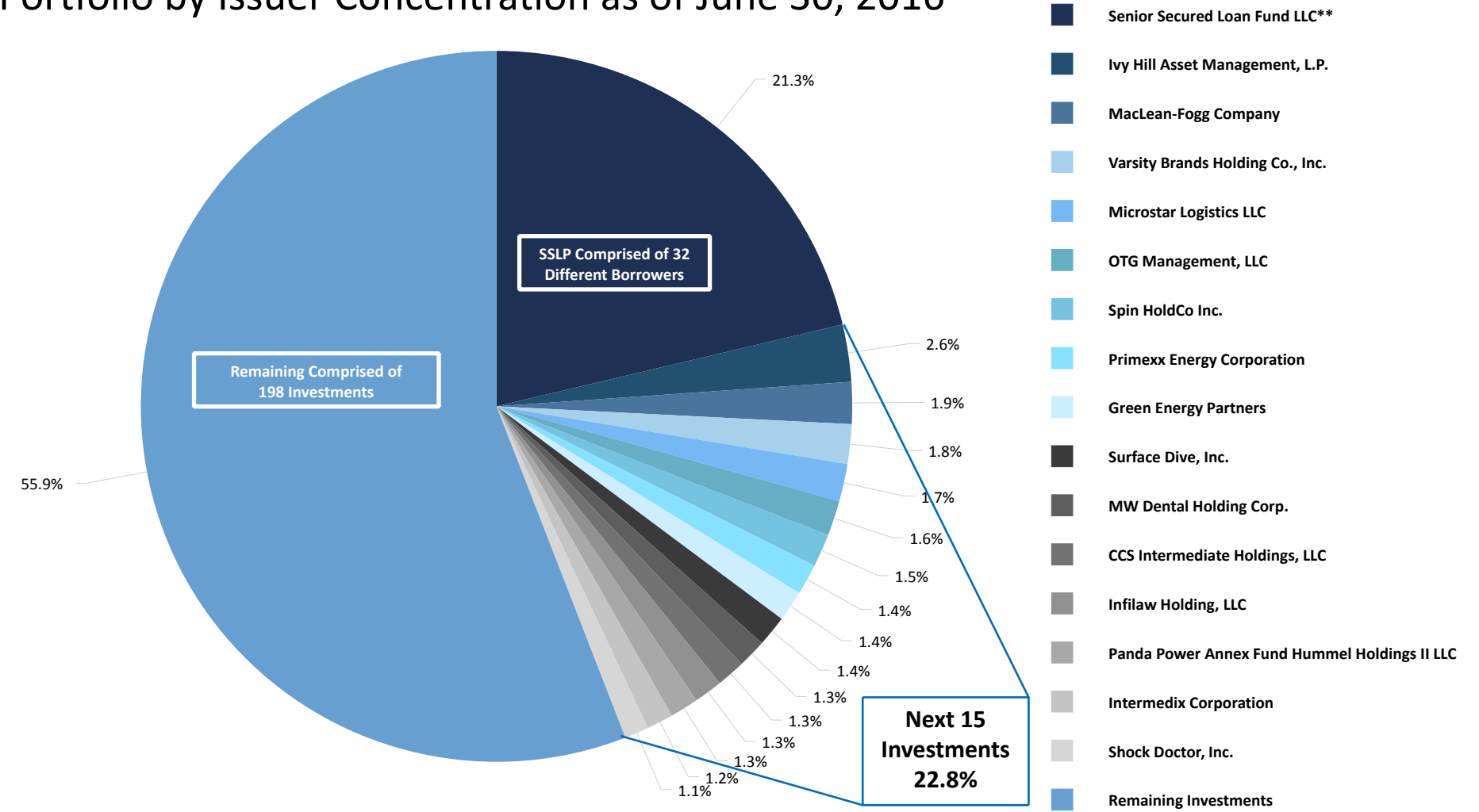
	For the Three Months Ended				
	(unaudited)				
	(Amounts in 000s)				
	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15
Net Realized and Unrealized Gains (Losses):					
Realized gains (losses) on investments:					
Gains	\$ 34,263	\$ 25,544	\$ 24,968	\$ 45,357	\$ 26,713
Losses	(1,090)	—	(1,096)	(82)	(1,803)
Net realized gains on investments	<u>33,173</u>	<u>25,544</u>	<u>23,872</u>	<u>45,275</u>	<u>24,910</u>
Unrealized gains (losses) on investments:					
Unrealized appreciation	114,221	72,503	62,629	39,535	64,307
Unrealized depreciation	(72,321)	(60,181)	(204,224)	(61,460)	(42,365)
Net unrealized gains (losses) on investments	<u>41,900</u>	<u>12,322</u>	<u>(141,595)</u>	<u>(21,925)</u>	<u>21,942</u>
Net unrealized appreciation reversed related to net realized gains or losses on investments	<u>(23,515)</u>	<u>(17,712)</u>	<u>(11,909)</u>	<u>(39,176)</u>	<u>(8,199)</u>
Total net unrealized gains (losses) on investments	18,385	(5,390)	(153,504)	(61,101)	13,743
Net realized and unrealized gains (losses) on foreign currency and other transactions	578	(1,343)	3,814	2,208	(634)
Realized losses on extinguishment of debt	—	—	(6,572)	—	—
Net realized and unrealized gains (losses)	<u>\$ 52,136</u>	<u>\$ 18,811</u>	<u>\$ (132,390)</u>	<u>\$ (13,618)</u>	<u>\$ 38,019</u>

Quarterly Balance Sheets

	As of				
	(unaudited, except for 12/31/15)				
	(Amounts in 000s, except per share data)				
	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15
ASSETS					
Investments at fair value	\$ 8,900,377	\$ 9,072,101	\$ 9,055,496	\$ 8,692,480	\$ 8,573,395
Cash and cash equivalents	125,926	77,169	257,056	247,123	299,079
Interest receivable	124,592	144,072	137,968	135,365	138,738
Receivable for open trades	1,258	17,948	—	—	3,966
Other assets	55,490	54,246	56,292	64,172	73,459
Total assets	\$ 9,207,643	\$ 9,365,536	\$ 9,506,812	\$ 9,139,140	\$ 9,088,637
LIABILITIES					
Debt	\$ 3,785,354	\$ 3,984,812	\$ 4,113,935	\$ 3,619,473	\$ 3,545,975
Base management fees payable	34,444	34,759	34,125	33,284	33,021
Income based fees payable	28,923	29,122	31,234	31,842	28,949
Capital gains incentive fees payable*	56,454	46,027	42,265	69,820	72,448
Accounts payable and other liabilities	45,988	55,139	60,587	61,395	67,073
Interest and facility fees payable	37,082	35,733	51,007	43,114	58,350
Payable for open trades	1,357	—	327	410	380
Total liabilities	3,989,602	4,185,592	4,333,480	3,859,338	3,806,196
STOCKHOLDERS' EQUITY					
Common stock	314	314	314	314	314
Capital in excess of par value	5,312,800	5,312,800	5,318,277	5,334,249	5,334,249
Accumulated overdistributed net investment income and net realized gains/losses on investments, foreign currency transactions, extinguishment of debt and other assets	(16,694)	(33,281)	(53,907)	(113,019)	(171,735)
Net unrealized gains (losses) on investments, foreign currency and other transactions	(78,379)	(99,889)	(91,352)	58,258	119,613
Total stockholders' equity	5,218,041	5,179,944	5,173,332	5,279,802	5,282,441
Total liabilities and stockholders' equity	\$ 9,207,643	\$ 9,365,536	\$ 9,506,812	\$ 9,139,140	\$ 9,088,637
NET ASSETS PER SHARE	\$ 16.62	\$ 16.50	\$ 16.46	\$ 16.79	\$ 16.80

*Accrued in accordance with GAAP. No capital gains incentive fees were actually payable under the Investment Advisory and Management Agreement for any periods presented.

Portfolio by Issuer Concentration as of June 30, 2016*



Diversified \$8.9 billion portfolio with over 200 investments

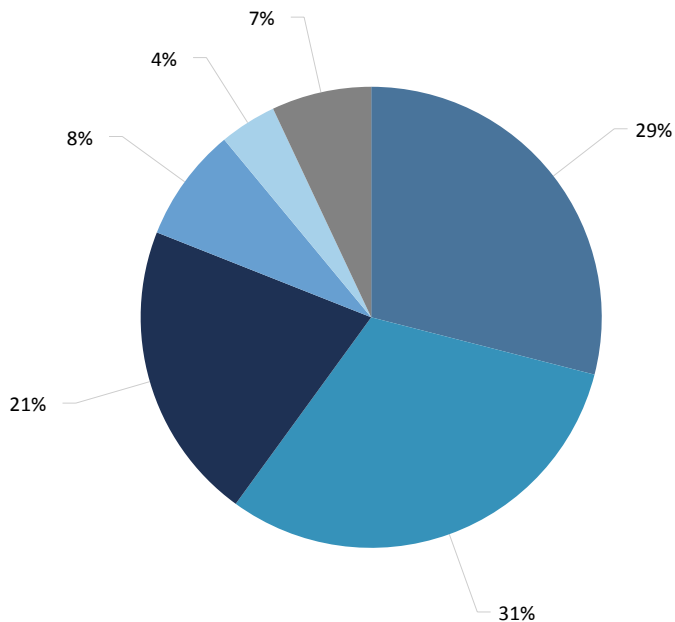
* At fair value.

** Represents Ares Capital's portion of its co-investments with GE in first lien senior secured loans to middle market companies. As of June 30, 2016, the SSLP loan portfolio totaled \$6.2 billion aggregate principal amount and had loans to 32 different borrowers. As of June 30, 2016, the SSLP's largest loan to a single borrower was \$342 million aggregate principal amount and the five largest loans to borrowers totaled \$1.5 billion aggregate principal amount.⁽¹²⁾



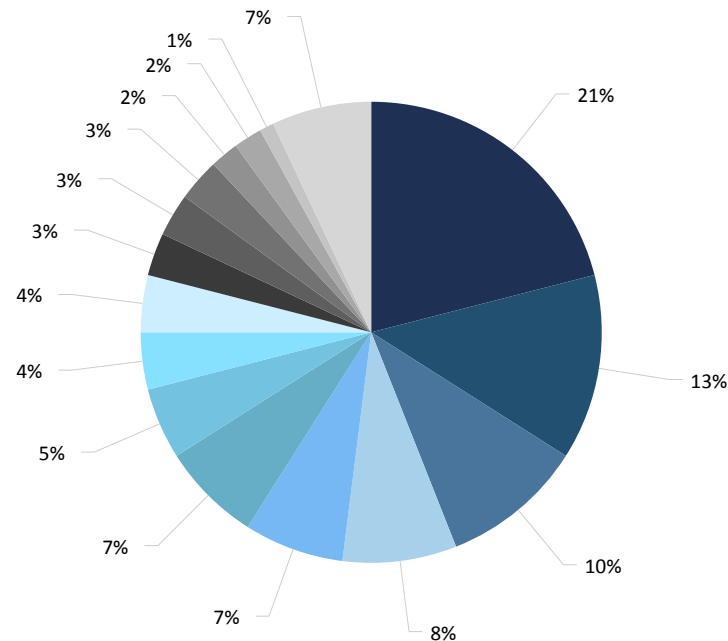
Investment Portfolio as of June 30, 2016*

Asset Class



- First Lien Senior Secured Loans
- Second Lien Senior Secured Loans
- Senior Secured Loan Program**
- Senior Subordinated Debt
- Preferred Equity
- Other Equity

Industry



- Senior Secured Loan Program**
- Healthcare Services
- Other Services
- Consumer Products
- Business Services
- Power Generation
- Manufacturing
- Financial Services
- Restaurants and Food Services
- Education
- Oil and Gas
- Containers and Packaging
- Automotive Services
- Food and Beverage
- Commercial Real Estate Finance
- Other

* At fair value.

** Represents Ares Capital's portion of co-investments with GE in first lien senior secured loans to 32 different borrowers in the middle market. The portfolio companies in the SSLP are in industries similar to companies in Ares Capital's portfolio.⁽¹²⁾

Debt Summary

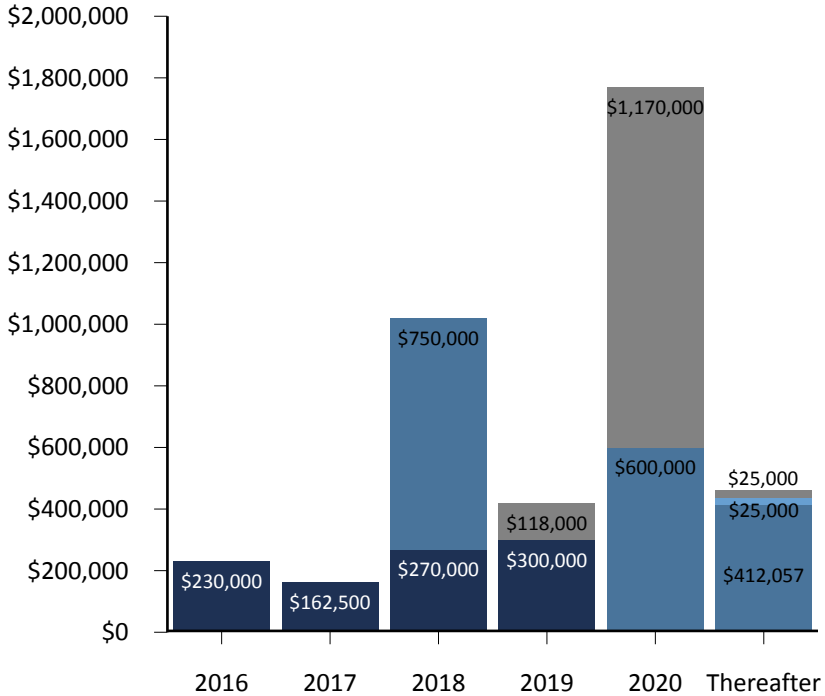
(Dollar amounts in 000s)	As of 3/31/16			As of 6/30/16			Weighted Average Stated Interest Rate ⁽¹⁸⁾	Interest Rate	Maturity Date
	Aggregate Principal Amount Committed/ Outstanding ⁽¹⁵⁾	Principal Outstanding	Carrying Value of Outstanding Debt	Aggregate Principal Amount Committed/ Outstanding ⁽¹⁵⁾	Principal Outstanding	Carrying Value of Outstanding Debt			
Secured Revolving Facilities⁽¹⁴⁾:									
Revolving Credit Facility	\$ 1,290,000	\$ 1,170,000	\$ 1,170,000	\$ 1,265,000	\$ 1,165,000	\$ 1,165,000	2.250%	LIBOR + 1.75% ⁽¹⁹⁾	May 2021 ⁽¹⁹⁾
Revolving Funding Facility	540,000	118,000	118,000	540,000	53,000	53,000	2.715%	LIBOR + 2.25% ⁽²⁰⁾	May 2019
SMBC Funding Facility	400,000	25,000	25,000	400,000	122,000	122,000	2.192%	LIBOR + 1.75% ⁽²¹⁾	September 2022
Subtotal	2,230,000	1,313,000	1,313,000	2,205,000	1,340,000	1,340,000	2.263%		
SBA Debentures	75,000	25,000	24,432	75,000	25,000	24,446	3.481% ⁽²²⁾		September 2025/March 2026
Unsecured Notes Payable:									
June 2016 Convertible Notes	230,000	230,000	229,194 ⁽¹⁶⁾	—	—	— ⁽¹⁶⁾			
2017 Convertible Notes	162,500	162,500	160,470 ⁽¹⁶⁾	162,500	162,500	160,990 ⁽¹⁶⁾	4.875%		March 2017
2018 Convertible Notes	270,000	270,000	265,039 ⁽¹⁶⁾	270,000	270,000	265,694 ⁽¹⁶⁾	4.750%		January 2018
2019 Convertible Notes	300,000	300,000	294,903 ⁽¹⁶⁾	300,000	300,000	295,333 ⁽¹⁶⁾	4.375%		January 2019
2018 Notes	750,000	750,000	743,516 ⁽¹⁶⁾	750,000	750,000	744,084 ⁽¹⁶⁾	4.875%		November 2018
2020 Notes	600,000	600,000	594,533 ⁽¹⁶⁾	600,000	600,000	594,868 ⁽¹⁶⁾	3.875%		January 2020
October 2022 Notes	182,500	182,500	178,049 ⁽¹⁶⁾	182,500	182,500	178,189 ⁽¹⁶⁾	5.875%		October 2022
2047 Notes	229,557	229,557	181,676 ⁽¹⁷⁾	229,557	229,557	181,750 ⁽¹⁷⁾	6.875%		April 2047
Subtotal	2,724,557	2,724,557	2,647,380	2,494,557	2,494,557	2,420,908	4.805%		
Total Debt	\$ 5,029,557	\$ 4,062,557	\$ 3,984,812	\$ 4,774,557	\$ 3,859,557	\$ 3,785,354	3.922%		

Floating and Fixed Rate Debt as of June 30, 2016:			
Debt (Dollar amounts in 000s)	Principal Outstanding	Weighted Average Stated Interest Rate ⁽¹⁸⁾	Weighted Average Maturity (in years)
Floating	\$ 1,340,000	2.263%	4.84
Fixed	2,519,557	4.805%	5.43
Total	\$ 3,859,557	3.922%	5.23

Debt Summary (cont'd)

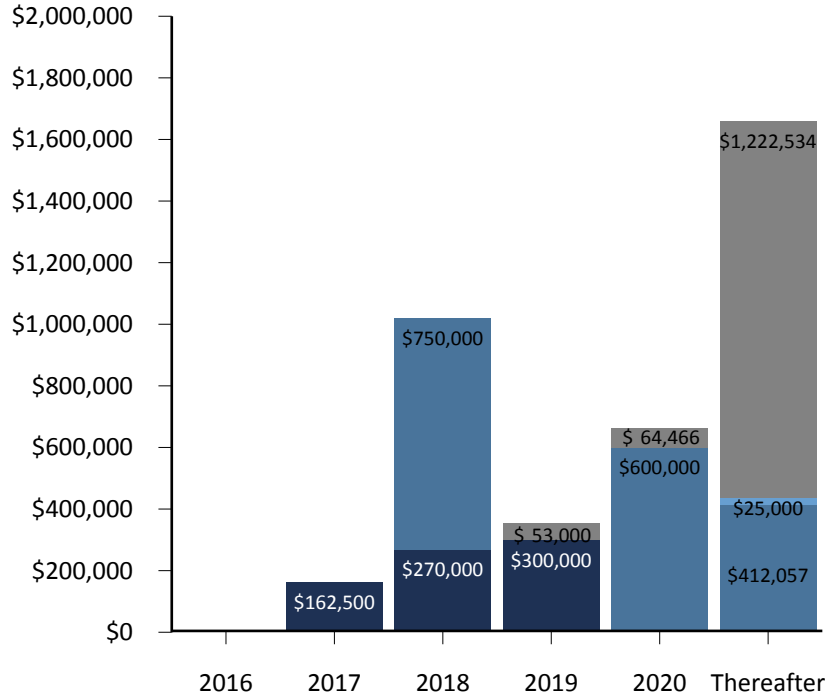
Debt Maturities*

(Amounts in 000s)



As of March 31, 2016

(Amounts in 000s)



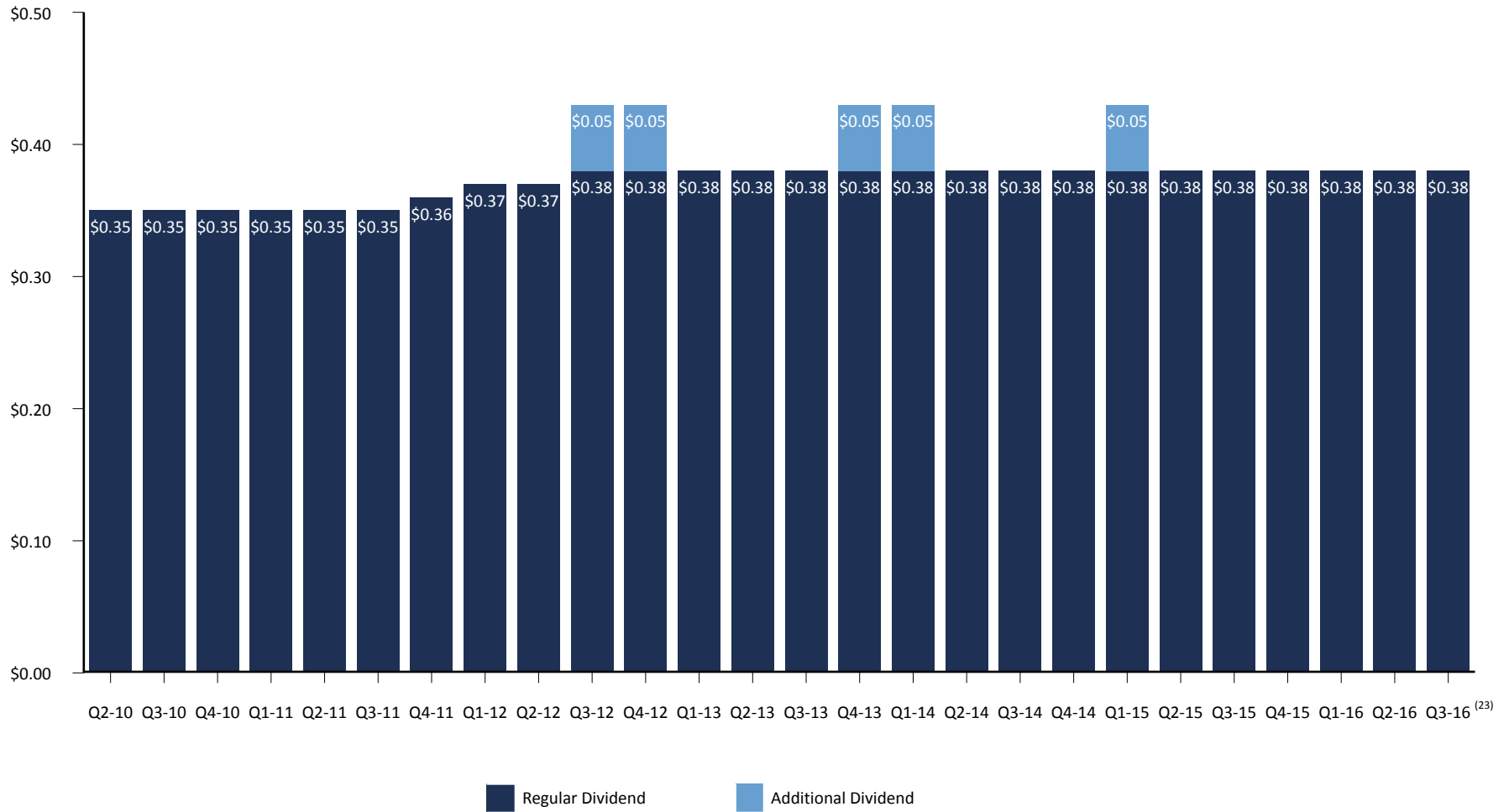
As of June 30, 2016

Convertible Unsecured Notes
 Other Unsecured Notes
 SBA Debentures
 Secured Revolving Facilities

* Represents the total aggregate principal amount outstanding.



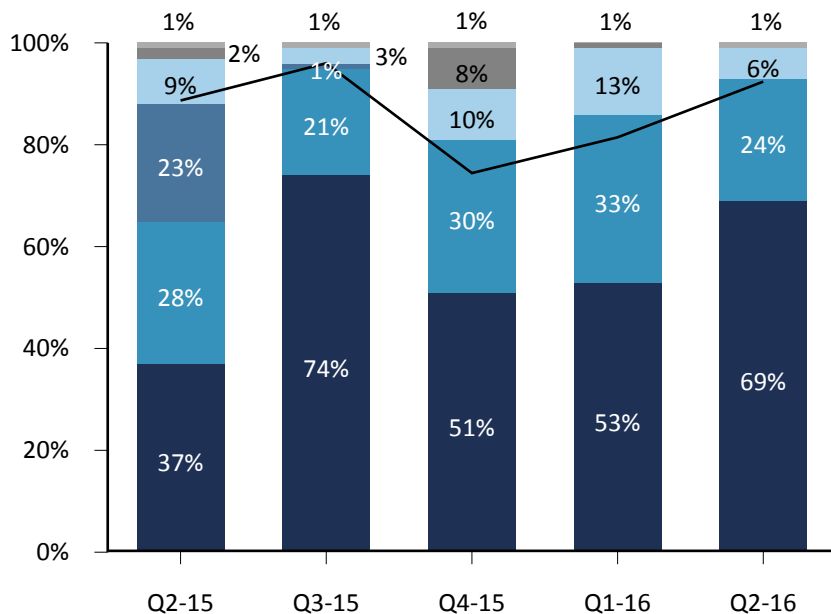
Quarterly Dividends



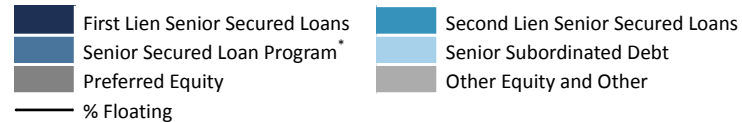
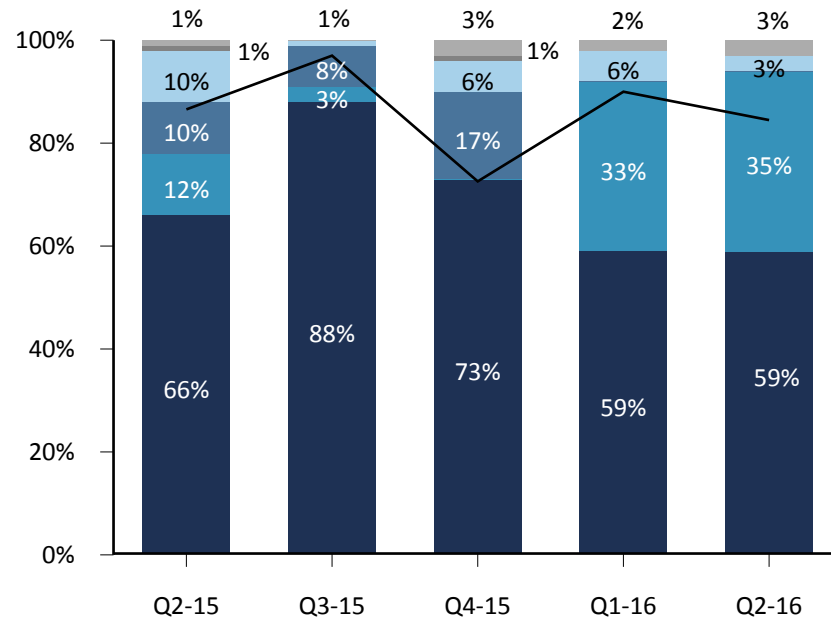
- ARCC estimates that it has carried forward excess taxable income of approximately \$258 million⁽²⁴⁾ or \$0.82 per share from 2015 for distribution to stockholders in 2016

Portfolio Activity

Gross Commitments by Asset Class

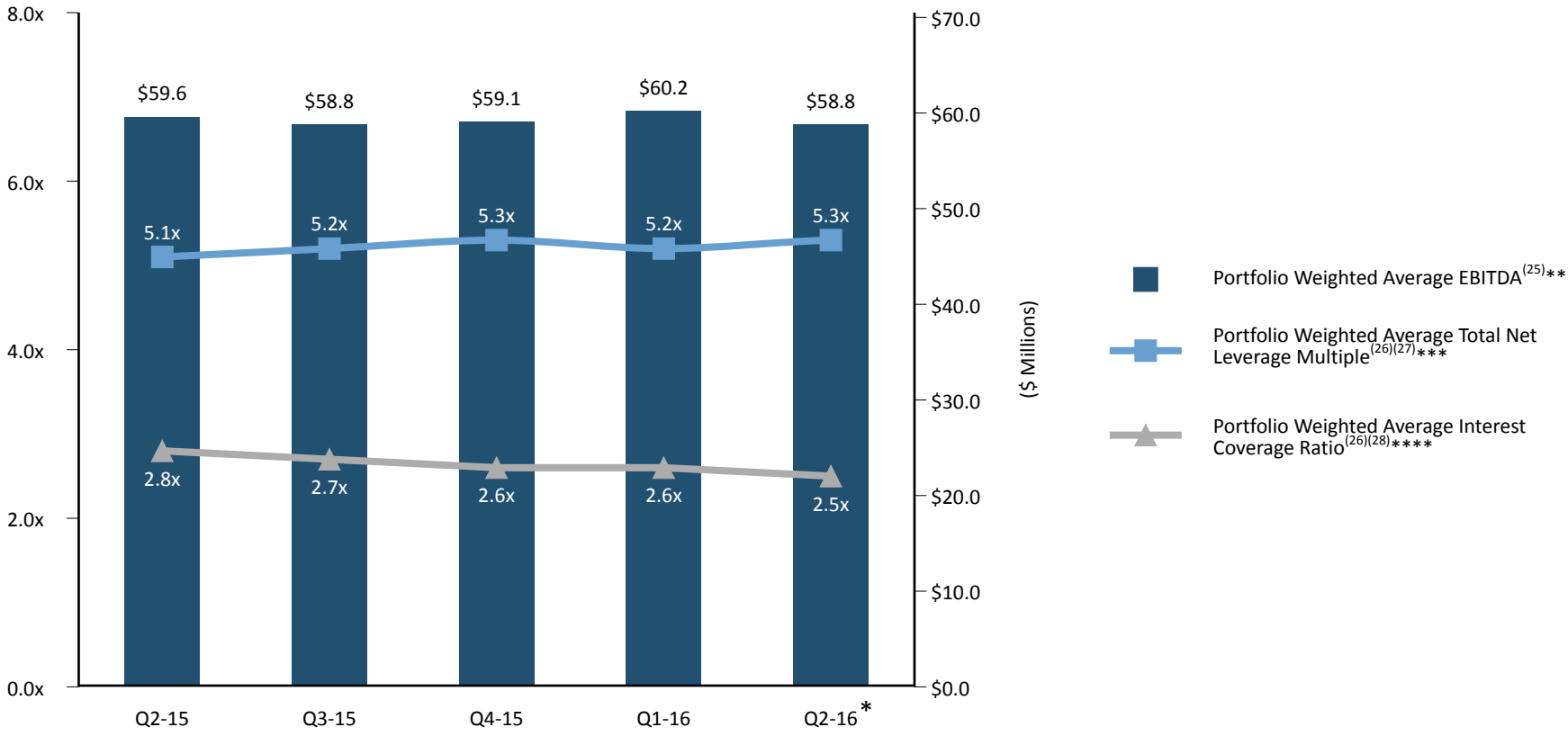


Exits of Commitments by Asset Class



*Represents Ares Capital's portion of its co-investments with GE in first lien senior secured loans to middle market companies.⁽¹²⁾

Portfolio Company EBITDA and Credit Statistics



Note: This portfolio weighted average EBITDA data includes information solely in respect of corporate investments in Ares Capital's portfolio and the weighted average total net leverage multiple and interest coverage ratio data includes information solely in respect of corporate portfolio companies in which Ares Capital has a debt investment (in each case, subject to the exclusions described in the following sentence). Excluded from the data above is information in respect of the following: (i) the SSLP (and the underlying borrowers in the SSLP), (ii) portfolio companies that do not report EBITDA, including Ivy Hill Asset Management L.P., (iii) investment funds/vehicles, (iv) discrete projects in the project finance/power generation sector, (v) certain oil and gas companies, (vi) venture capital backed companies and (vii) commercial real estate finance companies.

* For the portfolio companies included in the portfolio weighted average EBITDA data above (subject to additional exclusions described in the following sentence), the weighted average EBITDA growth rate as of Q2-16 was approximately 7% on a comparable basis for the most recently reported LTM period versus prior year LTM period. In addition to those portfolio companies excluded as noted above, this calculation excludes three companies where prior year comparable data was not available.⁽²⁹⁾

**The weighted average EBITDA for the underlying borrowers in the SSLP was \$53.7 million, \$55.4 million, \$58.3 million, \$56.7 million and \$59.6 million as of 6/30/15, 9/30/15, 12/31/15, 3/31/16 and 6/30/16, respectively.

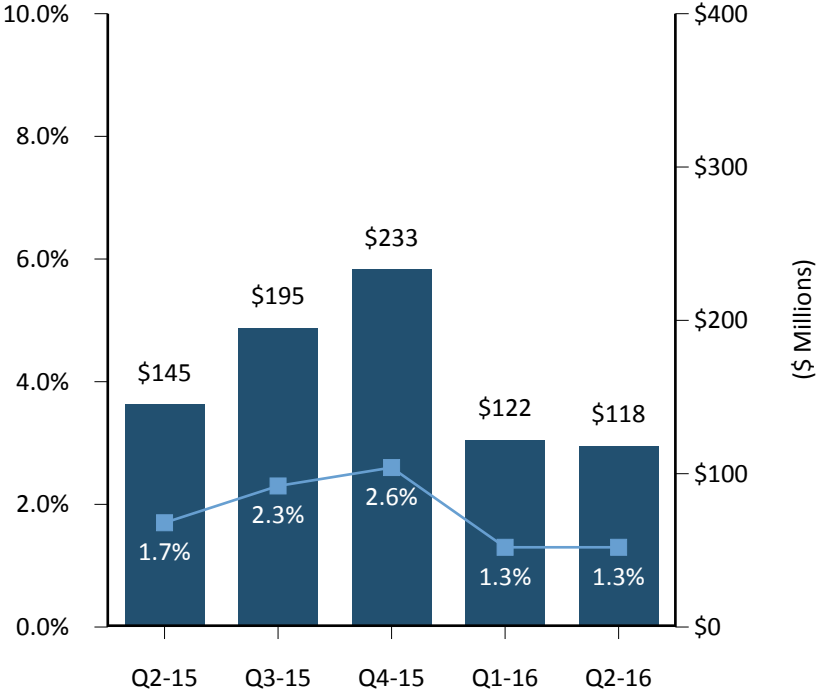
***The weighted average total net leverage multiple for the underlying borrowers in the SSLP was 4.9x, 4.9x, 4.9x, 4.9x and 4.8x as of 6/30/15, 9/30/15, 12/31/15, 3/31/16 and 6/30/16, respectively.⁽³⁰⁾

****The weighted average interest coverage ratio for the underlying borrowers in the SSLP was 3.6x, 3.8x, 3.8x, 3.7x and 4.0x as of 6/30/15, 9/30/15, 12/31/15, 3/31/16 and 6/30/16, respectively.⁽²⁸⁾

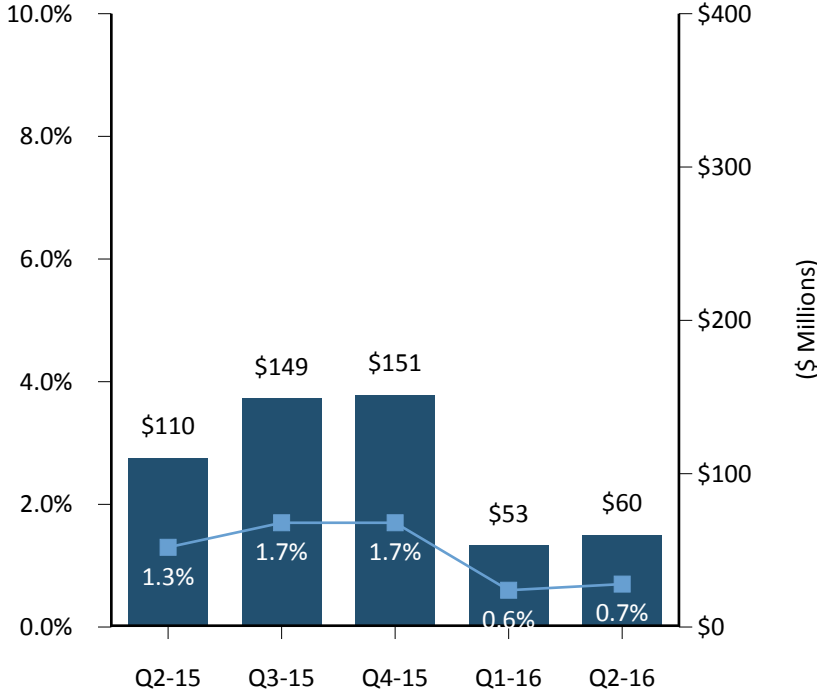


Investments on Non-Accrual Status

Amortized Cost



Fair Value



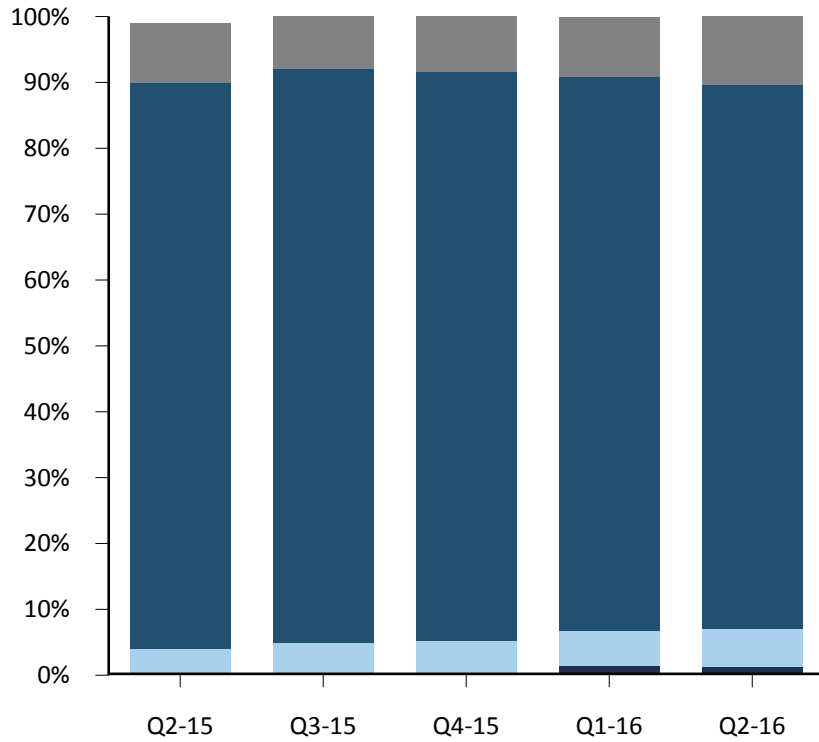
Investments on Non-Accrual Status

Percentage of Total Investment Portfolio

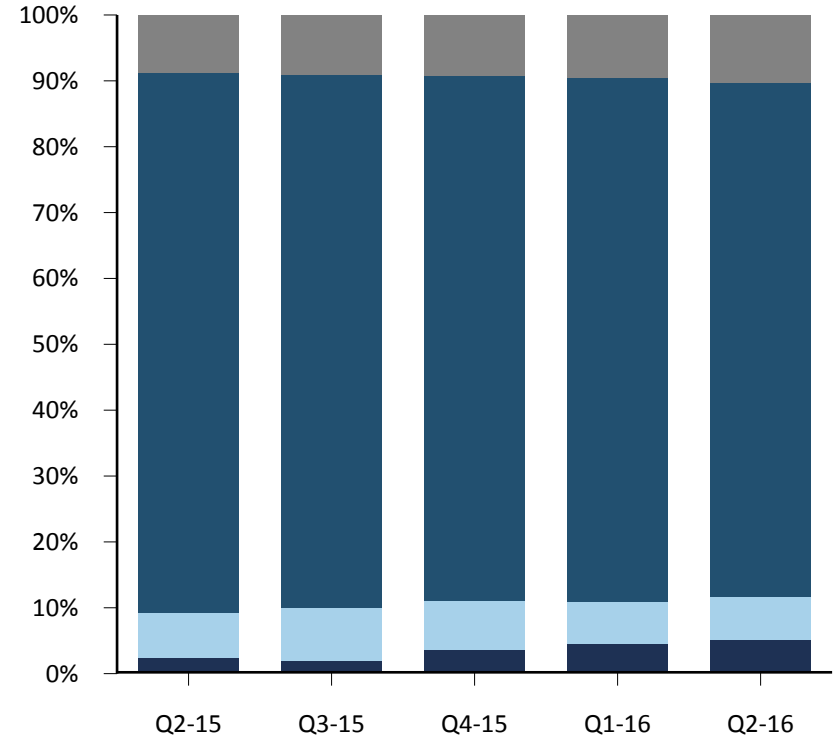


Portfolio By Grade⁽³¹⁾

% By Fair Value



% By Number of Companies



Grade 1
 Grade 2
 Grade 3
 Grade 4

Investment Activity Since Quarter End

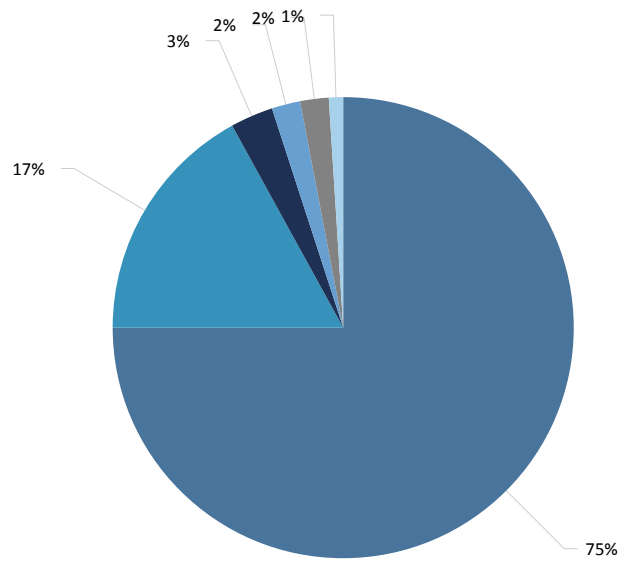
- From July 1, 2016 through July 27, 2016, we made \$469 million of new investment commitments
 - 46% were in investments in subordinated certificates of the SDLP to make co-investments with Varagon and its clients in first lien senior secured loans through the SDLP, 21% were in first lien senior secured loans, 19% were in senior subordinated loans, 13% were in second lien senior secured loans and 1% were in other equity securities
 - 80% were floating rate, 19% were fixed rate and 1% were non-interest bearing
 - Weighted average yield of debt and other income producing securities funded at amortized cost of 11.7%

- From July 1, 2016 through July 27, 2016, we exited \$752 million of investment commitments
 - 73% were first lien senior secured loans, 26% were second lien senior secured loans and 1% were senior subordinated loans
 - 99% were floating rate and 1% were fixed rate
 - Weighted average yield of debt and other income producing securities exited or repaid at amortized cost of 8.1%
 - Total net realized gains of approximately \$9 million

Backlog and Pipeline

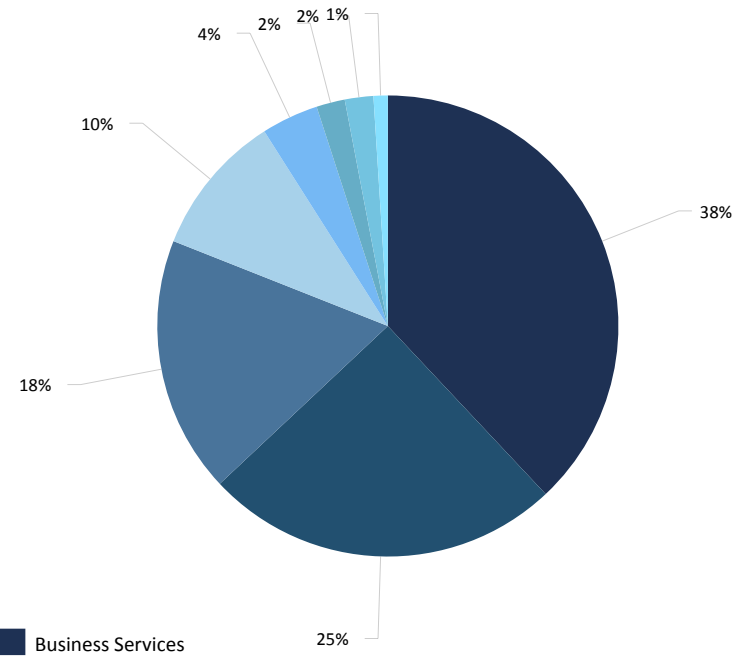
- As of July 27, 2016, we had a backlog and pipeline of approximately \$555 million and \$525 million, respectively⁽³²⁾
- The following is a breakdown of the backlog and pipeline by asset class and by industry

Asset Class



- First Lien Senior Secured Loans
- Second Lien Senior Secured Loans
- Senior Direct Lending Program
- Senior Subordinated Debt
- Preferred Equity
- Other Equity

Industry



- Business Services
- Restaurants and Food Services
- Other Services
- Healthcare Services
- Food and Beverage
- Consumer Products
- Investment Funds and Vehicles
- Containers and Packaging



Corporate Data

Board of Directors

MICHAEL AROUGHETI
Co-Chairman and Executive Vice President of
Ares Capital Corporation
Co-Founder and President of Ares
Partner of the Ares Credit Group

STEVE BARTLETT
Strategic Independent Consultant

ANN TORRE BATES
Former Executive Vice President, Chief Financial
Officer and Treasurer of NHP, Inc.

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Founder and Chief Executive Officer of Hidden
Beach Recordings

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Chief Executive Officer of Ares Capital
Corporation
Co-Head and Partner of the Ares Credit Group

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Former Partner of Davis Polk & Wardwell LLP

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Chairman of Ares Commercial Real Estate
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Co-Founder and Partner of Ares
Co-Head and Partner of the Ares Private Equity
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Retired Partner of Apollo Advisors, L.P.
Chairman of Executive Committee of El Paso
Electric Company

Investment Committee

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Partner of the Ares Credit Group

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Co-President of Ares Capital Corporation
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Executive Vice President

JOSHUA BLOOMSTEIN
Vice President, General Counsel and
Secretary

KIPP DEVEER
Chief Executive Officer

MITCHELL GOLDSTEIN
Co-President

MIRIAM KRIEGER
Chief Compliance Officer

SCOTT LEM
Chief Accounting Officer,
Vice President and Treasurer

MICHAEL MCFERRAN
Vice President and Assistant Treasurer

DANIEL NGUYEN
Vice President and Assistant Treasurer

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Reconciliations of Core EPS

The following are reconciliations of basic and diluted earnings per share computed in accordance with GAAP to basic and diluted core earnings per share:

	For the Three Months Ended				
	(unaudited)				
	<u>6/30/16</u>	<u>3/31/16</u>	<u>12/31/15</u>	<u>9/30/15</u>	<u>6/30/15</u>
Basic and Diluted Core EPS ⁽¹⁾	\$ 0.39	\$ 0.37	\$ 0.40	\$ 0.41	\$ 0.37
Professional fees and other costs related to the American Capital Acquisition ⁽¹³⁾	(0.02)	—	—	—	—
Net realized and unrealized gains (losses)	0.16	0.06	(0.42)	(0.05)	0.12
Capital gains incentive fees attributable to net realized and unrealized gains and losses	(0.03)	(0.01)	0.09	0.01	(0.02)
Income tax expense related to realized gains and losses	—	—	(0.02)	—	—
Basic and Diluted GAAP EPS	<u>\$ 0.50</u>	<u>\$ 0.42</u>	<u>\$ 0.05</u>	<u>\$ 0.37</u>	<u>\$ 0.47</u>

	For the Six Months Ended	
	(unaudited)	
	<u>6/30/16</u>	<u>6/30/15</u>
Basic and Diluted Core EPS ⁽¹⁾	\$ 0.76	\$ 0.74
Professional fees and other costs related to the American Capital Acquisition ⁽¹³⁾	(0.02)	—
Net realized and unrealized gains	0.23	0.06
Capital gains incentive fees attributable to net realized and unrealized gains and losses	(0.05)	(0.01)
Income tax expense related to realized gains and losses	—	—
Basic and Diluted GAAP EPS	<u>\$ 0.92</u>	<u>\$ 0.79</u>

Endnotes

- 1) Basic and diluted Core EPS is a non-GAAP financial measure. Core EPS is the net per share increase (decrease) in stockholders' equity resulting from operations less professional fees and other costs related to the proposed acquisition of American Capital, Ltd. (the "American Capital Acquisition"), realized and unrealized gains and losses, any capital gains incentive fees attributable to such net realized and unrealized gains and losses and any income taxes related to such realized gains and losses. Basic and diluted GAAP EPS is the most directly comparable GAAP financial measure. Ares Capital believes that Core EPS provides useful information to investors regarding financial performance because it is one method Ares Capital uses to measure its financial condition and results of operations. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Reconciliations of basic and diluted Core EPS to the most directly comparable GAAP financial measure is set forth on page 22 hereof.
- 2) Includes sales to Ivy Hill Asset Management, L.P. ("IHAM"), a wholly owned portfolio company of Ares Capital, or vehicles managed by IHAM.
- 3) The weighted average yield on debt and other income producing securities at amortized cost is computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) total accruing debt and other income producing securities at amortized cost. The weighted average yield of debt and other income producing securities at fair value is computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) total accruing debt and other income producing securities at fair value.
- 4) The weighted average yield on the total investment portfolio at amortized cost is computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) total investments at amortized cost. The weighted average yield on the total investment portfolio at fair value is computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount earned on accruing debt and other income producing securities, divided by (b) total investments at fair value.
- 5) Computed as total principal debt outstanding less available cash divided by stockholders' equity. Available cash excludes restricted cash as well as cash held for dividends payable and for uses specifically designated for paying interest and expenses on certain debt.
- 6) Computed as (a) annual stated interest expense on our debt obligations divided by (b) total debt obligations at principal amount outstanding. Stated interest expense on debt excludes facility and other fees and the amortization of original issue discount or premium, market discounts and debt issuance costs.
- 7) Net interest and dividend margin represents the difference between interest and dividend income and interest and credit facility fees expense for the last twelve month period divided by average total investments at amortized cost during the same period.
- 8) Excludes realized and unrealized gains (losses) and incentive fees attributable to net realized and unrealized gains (losses).
- 9) Includes portfolio companies for which there are outstanding commitments, but for which no amounts were funded at the end of the period.
- 10) As of June 30, 2016, 59% of the total investments at fair value and 73% of the floating rate investments at fair value contained interest rate floor features. Additionally, as of June 30, 2016, all the loans made through the Senior Secured Loan Program (the "SSLP") contained interest rate floor features.
- 11) Represents gross commitments or fundings less commitments or investments exited, respectively. Q2-16, Q1-16, Q4-15, Q3-15 and Q2-15 include sales to IHAM or vehicles managed by IHAM of \$35.7 million, \$65.4 million, \$123.8 million, \$113.4 million and \$42.9 million, respectively.
- 12) See Note 4 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended June 30, 2016 for information regarding General Electric Capital Corporation's exit of its U.S. Sponsor Finance business and its impact on the SSLP.
- 13) See Note 14 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended June 30, 2016 for information regarding the American Capital Acquisition.
- 14) Requires periodic payments of interest and may require repayments of a portion of the outstanding principal once their respective reinvestment periods end but prior to the stated maturity.

Endnotes (cont'd)

- 15) Subject to borrowing base, leverage and other restrictions. Represents total aggregate amount committed or outstanding, as applicable, under such instrument.
- 16) Represents the aggregate principal amount of the notes outstanding adjusted for the unaccreted discount or premium initially recorded at the time of issuance.
- 17) Represents the aggregate principal amount of the notes outstanding less the unaccreted purchased discount initially recorded at the time of acquisition.
- 18) Effective stated rate as of June 30, 2016.
- 19) The interest rate charged on the Revolving Credit Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over a "alternate base rate" (as defined in the agreements governing the Revolving Credit Facility), in each case, determined monthly based on the total amount of borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility. As of June 30, 2016, the interest rate in effect was LIBOR plus 1.75%. For \$1.195 billion of the total facility amount, the maturity date is May 2021. For the remaining \$70 million, the maturity date is May 2020.
- 20) The interest rate charged on the Revolving Funding Facility is based on an applicable spread ranging from 2.25% to 2.50% over LIBOR or ranging from 1.25% to 1.50% over "base rate" (as defined in the agreements governing the Revolving Funding Facility) in each case, determined monthly based on the composition of the borrowing base relative to outstanding borrowings under the Revolving Funding Facility. As of June 30, 2016, the interest rate in effect was LIBOR plus 2.25%.
- 21) The interest rate charged on the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over a "base rate" (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. As of June 30, 2016, the interest rate in effect was LIBOR plus 1.75%.
- 22) See Note 5 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended June 30, 2016 for more information about the interest rate on the SBA-guaranteed debentures issued to Ares Capital's wholly owned subsidiary, Ares Venture Finance, L.P.
- 23) Declared. The third quarter 2016 dividend of \$0.38 per share to be paid on September 30, 2016 to stockholders of record on September 15, 2016.
- 24) The amount of excess 2015 taxable income available for carry over into 2016 is only an estimate based on estimated 2015 taxable income. The calculation of estimated 2015 taxable income includes a number of estimated inputs, including information received from third parties and, as a result, actual 2015 taxable income will not be finally determined until Ares Capital's 2015 tax return is filed in 2016. Consequently, both 2015 taxable income and the amount of excess taxable income available for carry over into 2016 is subject to change. See Note 11 to Ares Capital's consolidated financial statements included in the annual report on Form 10-K for the year ended December 31, 2015 for more information.
- 25) Weighted average EBITDA amounts are weighted based on the fair value of the portfolio company investments except for the weighted average EBITDA for the SSLP, which is weighted based on the principal amount of the loan made by the SSLP to such portfolio company. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 26) EBITDA is a non-GAAP financial measure. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 27) Portfolio weighted average total net leverage multiples represent Ares Capital's last dollar of invested debt capital (net of cash) as a multiple of EBITDA. Portfolio company credit statistics are derived from the most recently available portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 28) Portfolio weighted average interest coverage ratio represents the portfolio company's EBITDA as a multiple of interest and facility fees expense. Portfolio company credit statistics are derived from the most recently available portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.

Endnotes (cont'd)

- 29) The EBITDA growth rate for each included portfolio company is calculated as the percentage change for the most recently reported fiscal year to date comparable periods and is weighted based on the fair value of the portfolio company investments to calculate the portfolio weighted average EBITDA growth rate. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA amounts used in the calculation are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 30) Portfolio weighted average total net leverage multiples represent the SSLP's last dollar of invested debt capital (net of cash) as a multiple of EBITDA. Portfolio company credit statistics are derived from the most recently available portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 31) Based on our investment adviser's internal investment rating system scale from 1 to 4. Investments with a grade of 4 involve the least amount of risk to our initial cost basis and the trends and risk factors for these investments since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit. Investments with a grade of 1 indicate that the risk to our ability to recoup the initial cost basis of such investment has substantially increased since origination or acquisition and our investment adviser does not anticipate that we will recoup our initial cost basis and we may realize a substantial loss on our initial cost basis upon exit. All investments or acquired investments in new portfolio companies are initially assessed a grade of 3.
- 32) Investment backlog includes transactions approved by our investment adviser's investment committee and/or for which a formal mandate, letter of intent or a signed commitment has been issued, and therefore we believe are likely to close. Investment pipeline includes transactions where due diligence and analysis are in process, but no formal mandate, letter of intent or signed commitment has been issued. The consummation of any of the investments in this backlog and pipeline depends upon, among other things, one or more of the following: 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. In addition, Ares Capital may sell all or a portion of these investments and certain of these investments may result in the repayment of existing investments. Ares Capital cannot assure you that we will make any of these investments or that we will sell all or any portion of these investments.