



Third Quarter 2017
Earnings Presentation

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Financial and Portfolio Highlights

Financial Highlights

	Q3-17	Q2-17	Q3-16
(all per share amounts, excluding net asset value per share, are basic and diluted)	(unaudited)	(unaudited)	(unaudited)
Core EPS ^{*(1)}	\$ 0.36	\$ 0.34	\$ 0.43
Net Investment Income Per Share	\$ 0.36	\$ 0.29	\$ 0.44
Net Realized Gains Per Share	\$ 0.08	\$ 0.25	\$ 0.06
Net Unrealized Losses Per Share	\$ (0.11)	\$ (0.12)	\$ (0.15)
GAAP Net Income Per Share	\$ 0.33	\$ 0.42	\$ 0.35
Net Asset Value Per Share	\$ 16.49	\$ 16.54	\$ 16.59

Portfolio Highlights

	Q3-17	Q2-17	Q3-16
(dollar amounts in millions)	(unaudited)	(unaudited)	(unaudited)
Gross Commitments**	\$ 1,546	\$ 1,973	\$ 1,529
Exits of Commitments ^{** (2)}	\$ 1,644	\$ 1,792	\$ 1,499
Total Fair Value of Investments	\$ 11,456	\$ 11,498	\$ 8,805
Weighted Average Yield of Debt & Other Income Producing Securities at Amortized Cost ⁽³⁾	9.6%	9.4%	9.7%
Weighted Average Yield on Total Investments at Amortized Cost ⁽⁴⁾	8.5%	8.2%	8.7%

* See page 24 hereof for reconciliations of basic and diluted Core EPS to GAAP EPS, the most directly comparable GAAP financial measure.

** In July 2017, in connection with the effective termination of the Senior Secured Loan Program (the "SSLP"), Ares Capital purchased \$1.6 billion in aggregate principal amount of first lien senior secured loans outstanding at par plus accrued and unpaid interest and fees from the SSLP (the "SSLP Loan Sale") and assumed SSLP's remaining unfunded loan commitments totaling \$50 million. Upon completion of the SSLP Loan Sale, the SSLP made a liquidation distribution to the holders of the subordinated certificates of the SSLP of which Ares Capital received \$1.5 billion. The Q3-17 gross commitments excludes those investments acquired from the SSLP and the Q3-17 exits of commitments excludes the amounts received by Ares Capital from the SSLP's liquidation distribution. See note 11 on page 26 for further information.

Note: Endnotes begin on page 26.

Selected Historical Financial Information

	As of and for the Three Months Ended				
	(unaudited)				
	(dollar amounts in millions, except per share data and stock prices)				
	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16
Core EPS – Basic and Diluted* ⁽¹⁾	\$ 0.36	\$ 0.34	\$ 0.32	\$ 0.42	\$ 0.43
Net Investment Income Per Share – Basic and Diluted	\$ 0.36	\$ 0.29	\$ 0.22	\$ 0.44	\$ 0.44
Net Realized and Unrealized Gains (Losses) Per Share – Basic and Diluted	\$ (0.03)	\$ 0.13	\$ 0.06	\$ (0.20)	\$ (0.09)
GAAP EPS – Basic and Diluted	\$ 0.33	\$ 0.42	\$ 0.28	\$ 0.24	\$ 0.35
Dividend Declared and Payable Per Share	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38
Stockholders' Equity	\$ 7,028	\$ 7,051	\$ 7,035**	\$ 5,165	\$ 5,209
Net Asset Value Per Share	\$ 16.49	\$ 16.54	\$ 16.50	\$ 16.45	\$ 16.59
Principal Debt/Book Equity Ratio	.67x	.70x	.67x	.76x	.73x
Principal Debt/Book Equity Ratio, Net of Available Cash ⁽⁵⁾	.64x	.64x	.64x	.73x	.71x
Unsecured Principal Debt to Total Principal Debt	82.1%	64.0%	71.0%	78.3%	81.4%
Weighted Average Stated Interest on Debt ⁽⁶⁾	4.1%	3.9%	4.0%	4.2%	4.2%
Net Interest and Dividend Margin ⁽⁷⁾	7.5%	7.7%	7.9%	7.7%	7.8%
Ratio of Earnings to Fixed Charges ⁽⁸⁾	3.7	3.5	3.0	3.8	4.1
Market Capitalization					
Principal Debt	\$ 4,733	\$ 4,928	\$ 4,683	\$ 3,951	\$ 3,801
Equity	6,987	6,983	7,409	5,177	4,866
Total Market Capitalization	<u>\$ 11,720</u>	<u>\$ 11,911</u>	<u>\$ 12,092</u>	<u>\$ 9,128</u>	<u>\$ 8,667</u>
Common Stock Data:					
High Price during the period	\$ 16.52	\$ 17.64	\$ 17.81	\$ 16.86	\$ 16.40
Low Price during the period	\$ 15.67	\$ 16.18	\$ 16.42	\$ 15.16	\$ 13.96
Closing Price	\$ 16.39	\$ 16.38	\$ 17.38	\$ 16.49	\$ 15.50

* See page 24 hereof for reconciliations of basic and diluted Core EPS to GAAP EPS, the most directly comparable GAAP financial measure.

** Includes equity issued of \$1.8 billion in January 2017 in connection with the American Capital Acquisition.

Selected Historical Financial Information (cont'd)

	As of				
	(unaudited except for 12/31/16)				
	(dollar amounts in millions)				
	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16
Investments at Fair Value	\$ 11,456	\$ 11,498	\$ 11,407	\$ 8,820	\$ 8,805
Number of Portfolio Companies ⁽⁹⁾	325	319	316	218	215
Asset Class (at fair value):					
First Lien Senior Secured Loans	41%	25%	24%	23%	25%
Second Lien Senior Secured Loans	35%	33%	34%	34%	32%
Senior Direct Lending Program ⁽¹⁰⁾	4%	3%	2%	3%	2%
Senior Secured Loan Program ⁽¹¹⁾	—%	17%	17%	22%	22%
Senior Subordinated Loans	8%	8%	8%	8%	8%
Collateralized Loan Obligations	1%	2%	2%	—%	—%
Preferred Equity	4%	4%	4%	3%	4%
Other Equity and Other	7%	8%	9%	7%	7%
Interest Rate Type (at fair value)					
% Floating Rate ⁽¹²⁾	82%	81%	79%	81%	80%
% Fixed Rate	8%	8%	9%	9%	10%
% Equity and Other Non-Interest Earning	10%	11%	12%	10%	10%
Yields:					
Weighted Avg. Yield on Debt and Other Income Producing Securities at Amortized Cost ⁽³⁾	9.6%	9.4%	9.3%	9.3%	9.7%
Weighted Avg. Yield on Debt and Other Income Producing Securities at Fair Value ⁽³⁾	9.7%	9.5%	9.4%	9.4%	9.8%
Weighted Average Yield on Total Investments at Amortized Cost ⁽⁴⁾	8.5%	8.2%	8.1%	8.3%	8.7%
Weighted Average Yield on Total Investments at Fair Value ⁽⁴⁾	8.7%	8.3%	8.2%	8.5%	8.8%

Selected Historical Financial Information (cont'd)

	For the Three Months Ended									
	(unaudited)									
	(dollar amounts in millions)									
	9/30/2017*		6/30/17		3/31/2017		12/31/16		9/30/16	
Commitments:										
Gross Commitments**	\$	1,546	\$	1,973	\$	864	\$	1,164	\$	1,529
Exits of Commitments ⁽²⁾		(1,644)		(1,792)		(836)		(1,102)		(1,499)
Net Commitments ⁽¹³⁾	\$	(98)	\$	181	\$	28	\$	62	\$	30
Gross Commitments Information**:										
Number of Transactions		40		47		28		24		28
Weighted Average Commitment Term in Months		76		81		65		84		94
Average Commitment in Period	\$	39	\$	42	\$	31	\$	49	\$	55
Fundings:										
Gross Fundings**	\$	1,375	\$	1,897	\$	914	\$	1,089	\$	1,385
Net Fundings ⁽¹³⁾	\$	(154)	\$	96	\$	5	\$	90	\$	(68)
Portfolio Turnover		0.12		0.16		0.09		0.11		0.16

* Excludes the impact of the first lien senior secured loans acquired by Ares Capital from the SSLP, as well as the amounts received by Ares Capital from the SSLP liquidation distribution.

** Q1-17 excludes investments acquired as part of the American Capital Acquisition on January 3, 2017.

Quarterly Operating Results

For the Three Months Ended

(unaudited)

(amounts in millions, except per share data)

	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16
Investment income	\$ 294	\$ 284	\$ 275	\$ 260	\$ 258
Expenses, net of waiver of income based fees ⁽¹⁴⁾	136	153	179	114	116
Net investment income before income taxes	158	131	96	146	142
Income tax expense, including excise tax	5	7	2	8	4
Net investment income	153	124	94	138	138
Net realized and unrealized gains (losses)	(14)	54	24	(63)	(28)
Net Income	<u>\$ 139</u>	<u>\$ 178</u>	<u>\$ 118</u>	<u>\$ 75</u>	<u>\$ 110</u>
Per Share:					
Core EPS - Basic and Diluted* ⁽¹⁾	\$ 0.36	\$ 0.34	\$ 0.32	\$ 0.42	\$ 0.43
Net Income - Basic and Diluted	\$ 0.33	\$ 0.42	\$ 0.28	\$ 0.24	\$ 0.35
Dividends Declared and Payable	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38
Weighted average shares of common stock outstanding - Basic and Diluted	426	426	422	314	314
Common shares outstanding at end of period	426	426	426	314	314

For the Nine Months Ended

(unaudited)

(amounts in millions, except per share data)

	9/30/17	9/30/16
Investment income	\$ 853	\$ 752
Expenses, net of waiver of income based fees ⁽¹⁴⁾	468	383
Net investment income before taxes	385	369
Income tax expense, including excise tax	14	13
Net investment income	371	356
Net realized and unrealized gains	64	43
Net Income	<u>\$ 435</u>	<u>\$ 399</u>
Per Share:		
Core EPS - Basic and Diluted* ⁽¹⁾	\$ 1.01	\$ 1.19
Net Income - Basic and Diluted	\$ 1.02	\$ 1.27
Dividends Declared and Payable	\$ 1.14	\$ 1.14
Weighted average shares of common stock outstanding - Basic and Diluted	425	314
Common shares outstanding at end of period	426	314

* See page 24 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 millions)				
	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16
Net Investment Income Before Income Taxes:					
Investment Income:					
Interest income from investments	\$ 238	\$ 231	\$ 231	\$ 194	\$ 200
Capital structuring service fees	32	29	12	37	35
Dividend income	18	16	24	22	16
Management and other fees	1	2	3	2	4
Other income	5	6	5	5	3
Total investment income	<u>294</u>	<u>284</u>	<u>275</u>	<u>260</u>	<u>258</u>
Expenses:					
Interest and credit facility fees	56	55	55	47	43
Base management fees	44	44	39	34	34
Income based fees	35	30	32	32	33
Capital gains incentive fees*	(3)	10	16	(13)	(6)
Administrative fees	3	3	3	4	3
Professional fees and other costs related to the American Capital Acquisition ⁽¹⁵⁾	4	12	26	4	3
Other general and administrative	7	9	8	6	6
Total operating expenses	<u>146</u>	<u>163</u>	<u>179</u>	<u>114</u>	<u>116</u>
Waiver of income based fees ⁽¹⁴⁾	(10)	(10)	—	—	—
Total expenses, net of waiver of income based fees ⁽¹⁴⁾	<u>136</u>	<u>153</u>	<u>179</u>	<u>114</u>	<u>116</u>
Net investment income before income taxes	158	131	96	146	142
Income tax expense, including excise tax	5	7	2	8	4
Net investment income	<u>\$ 153</u>	<u>\$ 124</u>	<u>\$ 94</u>	<u>\$ 138</u>	<u>\$ 138</u>

* As required by GAAP. As of September 30, 2017, Ares Capital had accrued \$61 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 millions)

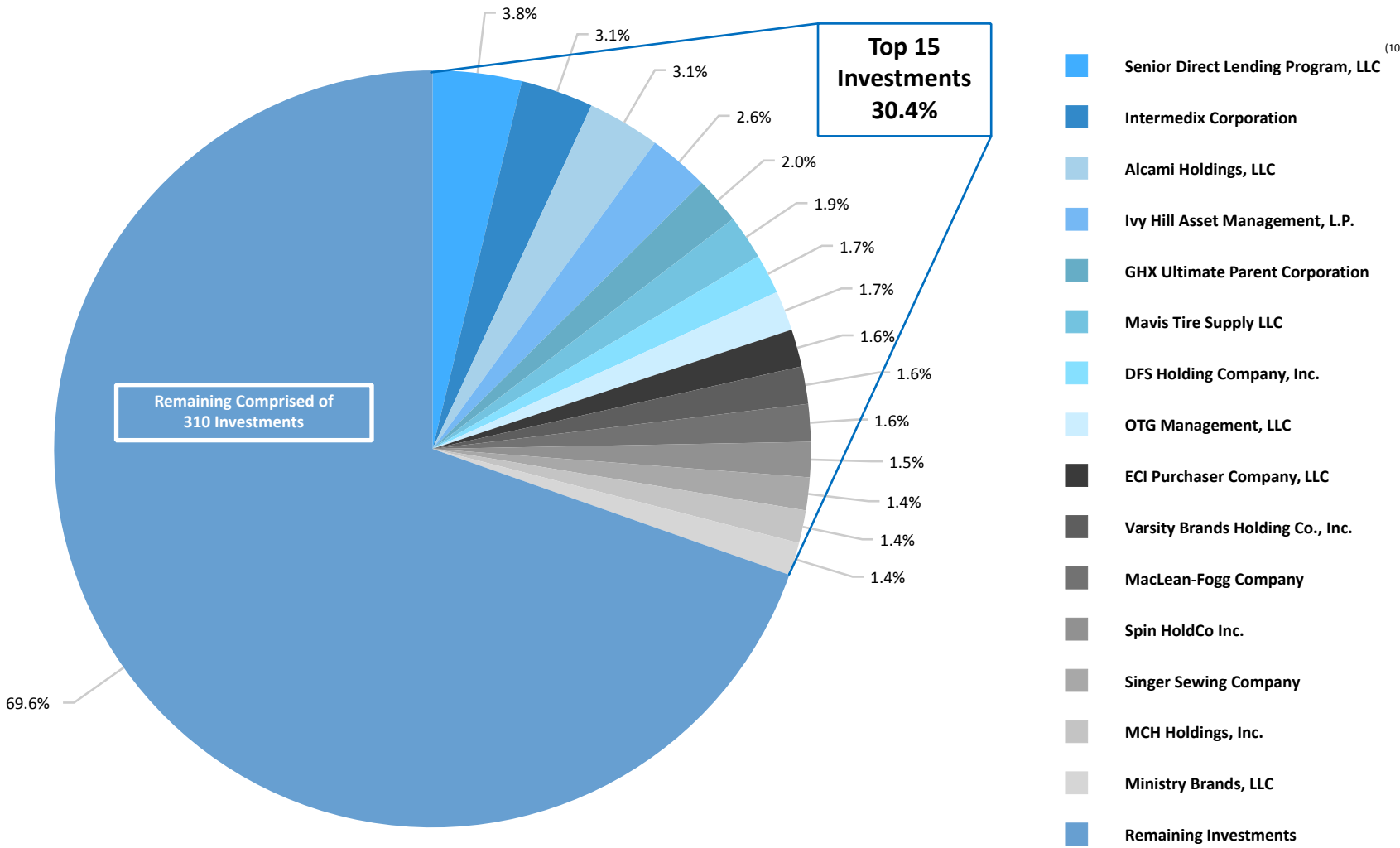
	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16
Net Realized and Unrealized Gains (Losses):					
Realized gains (losses) on investments:					
Gains	\$ 74	\$ 150	\$ 14	\$ 31	\$ 30
Losses	(32)	(38)	(1)	(1)	(9)
Net realized gains on investments	42	112	13	30	21
Unrealized gains (losses) on investments:					
Unrealized appreciation	126	151	102	68	60
Unrealized depreciation	(138)	(119)	(75)	(143)	(106)
Net unrealized gains (losses) on investments	(12)	32	27	(75)	(46)
Net unrealized (appreciation) depreciation reversed related to net realized gains or losses on investments	(35)	(76)	(9)	(19)	2
Total net unrealized gains (losses) on investments	(47)	(44)	18	(94)	(44)
Net realized and unrealized losses on foreign currency and other transactions	(9)	(10)	(7)	—	(5)
Realized losses on extinguishment of debt	—	(4)	—	—	—
Net realized and unrealized gains (losses)	\$ (14)	\$ 54	\$ 24	\$ (64)	\$ (28)

Quarterly Balance Sheets

	As of				
	(unaudited, except for 12/31/16)				
	(amounts in millions, except per share data)				
	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16
ASSETS					
Investments at fair value	\$ 11,456	\$ 11,498	\$ 11,407	\$ 8,820	\$ 8,804
Cash and cash equivalents	341	536	247	223	125
Interest receivable	105	110	128	112	121
Receivable for open trades	34	33	15	29	22
Other assets	105	151	193	61	64
Total assets	<u>\$ 12,041</u>	<u>\$ 12,328</u>	<u>\$ 11,990</u>	<u>\$ 9,245</u>	<u>\$ 9,136</u>
LIABILITIES					
Debt	\$ 4,640	\$ 4,838	\$ 4,585	\$ 3,874	\$ 3,721
Base management fees payable	44	44	39	34	34
Income based fees payable	25	20	32	32	33
Capital gains incentive fees payable*	61	63	54	38	51
Accounts payable and other liabilities	199	194	195	58	52
Interest and facility fees payable	44	53	42	44	32
Payable for open trades	—	65	8	—	4
Total liabilities	<u>5,013</u>	<u>5,277</u>	<u>4,955</u>	<u>4,080</u>	<u>3,927</u>
STOCKHOLDERS' EQUITY					
Common stock	—	—	—	—	—
Capital in excess of par value	7,206	7,206	7,206	5,292	5,313
Accumulated undistributed net investment income and net realized gains/losses on investments, foreign currency transactions, extinguishment of debt and other assets	122	96	28	94	22
Net unrealized losses on investments, foreign currency and other transactions	(300)	(251)	(199)	(221)	(126)
Total stockholders' equity	<u>7,028</u>	<u>7,051</u>	<u>7,035</u>	<u>5,165</u>	<u>5,209</u>
Total liabilities and stockholders' equity	<u>\$ 12,041</u>	<u>\$ 12,328</u>	<u>\$ 11,990</u>	<u>\$ 9,245</u>	<u>\$ 9,136</u>
NET ASSETS PER SHARE	<u>\$ 16.49</u>	<u>\$ 16.54</u>	<u>\$ 16.50</u>	<u>\$ 16.45</u>	<u>\$ 16.59</u>

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

Investment Portfolio by Issuer Concentration as of September 30, 2017*



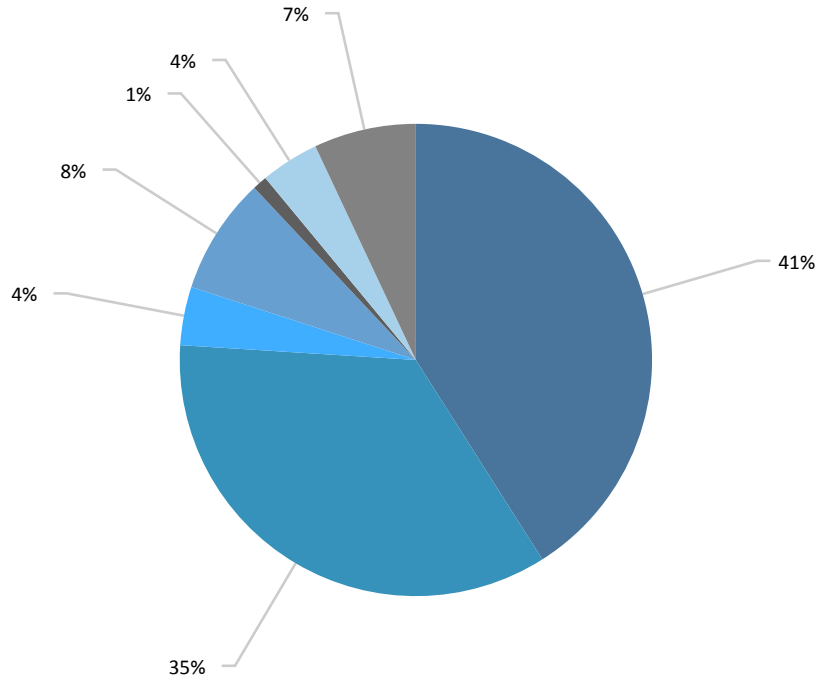
Diversified \$11.5 billion portfolio with over 300 investments

* At fair value.
 Note: As of September 30, 2017, approximately 16% of the total investments were acquired in the American Capital Acquisition.



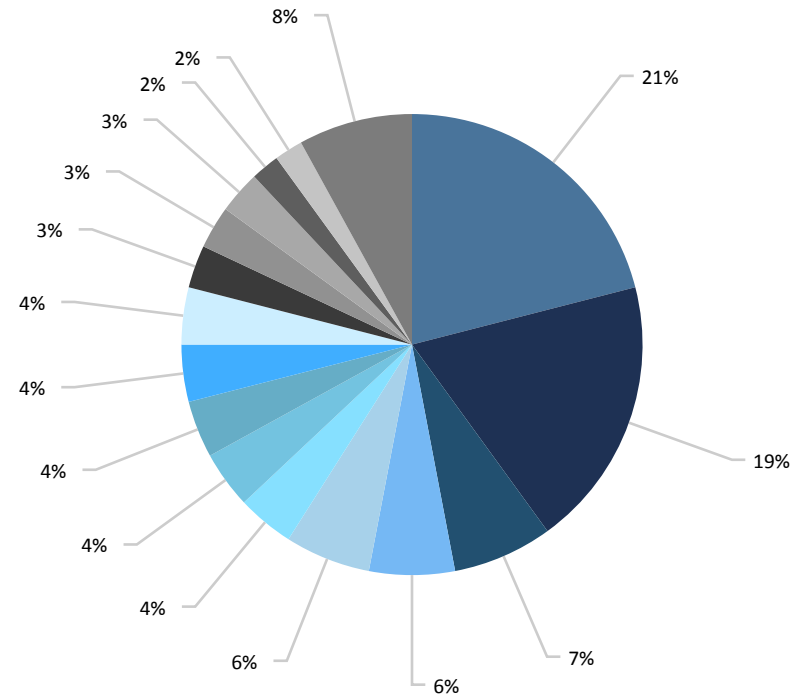
Investment Portfolio as of September 30, 2017*

Asset Class



- First Lien Senior Secured Loans
- Second Lien Senior Secured Loans
- Senior Direct Lending Program⁽¹⁰⁾
- Senior Subordinated Loans
- Collateralized Loan Obligations
- Preferred Equity
- Other Equity and Other

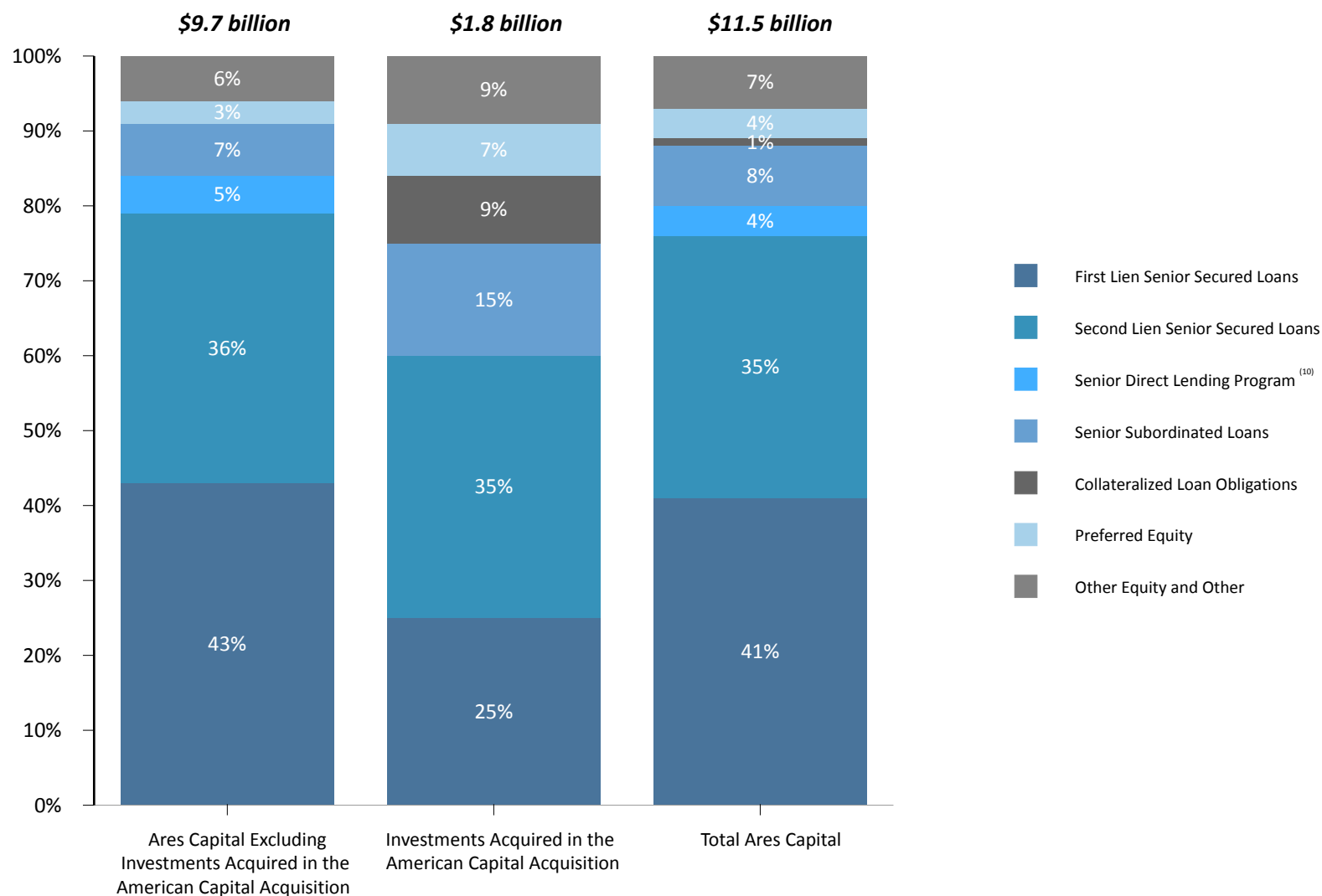
Industry



- Healthcare Services
- Business Services
- Consumer Products
- Other Services
- Manufacturing
- Food and Beverages
- Financial Services
- Senior Direct Lending Program⁽¹⁰⁾
- Education
- Power Generation
- Automotive Services
- Restaurants and Food Services
- Wholesale Distribution
- Investment Funds and Vehicles
- Containers and Packaging
- Remaining

* At fair value.

Investment Portfolio by Asset Class as of September 30, 2017*



Weighted Average Yields at Fair Value:

Debt and Other Income Producing Securities	9.7%	9.8%	9.7%
Total Investments	8.8%	8.2%	8.7%

* At fair value

Debt Summary

(dollar amounts in millions)	As of 6/30/17			As of 9/30/17			Weighted Average Stated Interest Rate ⁽²⁰⁾	Interest Rate	Maturity Date
	Aggregate Principal Amount Committed/Outstanding ⁽¹⁷⁾	Principal Outstanding	Carrying Value of Outstanding Debt	Aggregate Principal Amount Committed/Outstanding ⁽¹⁷⁾	Principal Outstanding	Carrying Value of Outstanding Debt			
Secured Revolving Facilities⁽¹⁶⁾:									
Revolving Credit Facility	\$ 2,108	\$ 920	\$ 920	\$ 2,108	\$ 395	\$ 395	3.000%	LIBOR + 1.75% ⁽²¹⁾	January 2022 ⁽²¹⁾
Revolving Funding Facility	1,000	685	685	1,000	450	450	3.532%	LIBOR + 2.30% [*]	January 2022
SMBC Funding Facility	400	160	160	400	—	—	—%	LIBOR + 1.75% ⁽²²⁾	September 2023
Subtotal	3,508	1,765	1,765	3,508	845	845	3.283%		
SBA Debentures	75	25	25	50	—	— ⁽²³⁾	—%		
Unsecured Notes Payable:									
2018 Convertible Notes	270	270	268 ⁽¹⁸⁾	270	270	269 ⁽¹⁸⁾	4.750%		January 2018
2018 Notes	750	750	746 ⁽¹⁸⁾	750	750	747 ⁽¹⁸⁾	4.875%		November 2018
2019 Convertible Notes	300	300	297 ⁽¹⁸⁾	300	300	298 ⁽¹⁸⁾	4.375%		January 2019
2020 Notes	600	600	596 ⁽¹⁸⁾	600	600	597 ⁽¹⁸⁾	3.875%		January 2020
January 2022 Notes	600	600	593 ⁽¹⁸⁾	600	600	593 ⁽¹⁸⁾	3.625%		January 2022
2022 Convertible Notes	388	388	366 ⁽¹⁸⁾	388	388	367 ⁽¹⁸⁾	3.750%		February 2022
2023 Notes	—	—	—	750	750	742 ⁽¹⁸⁾	3.500%		February 2023
2047 Notes	230	230	182 ⁽¹⁹⁾	230	230	182 ⁽¹⁹⁾	6.875%		April 2047
Subtotal	3,138	3,138	3,048	3,888	3,888	3,795	4.221%		
Total Debt	\$ 6,721	\$ 4,928	\$ 4,838	\$ 7,446	\$ 4,733	\$ 4,640	4.054%		

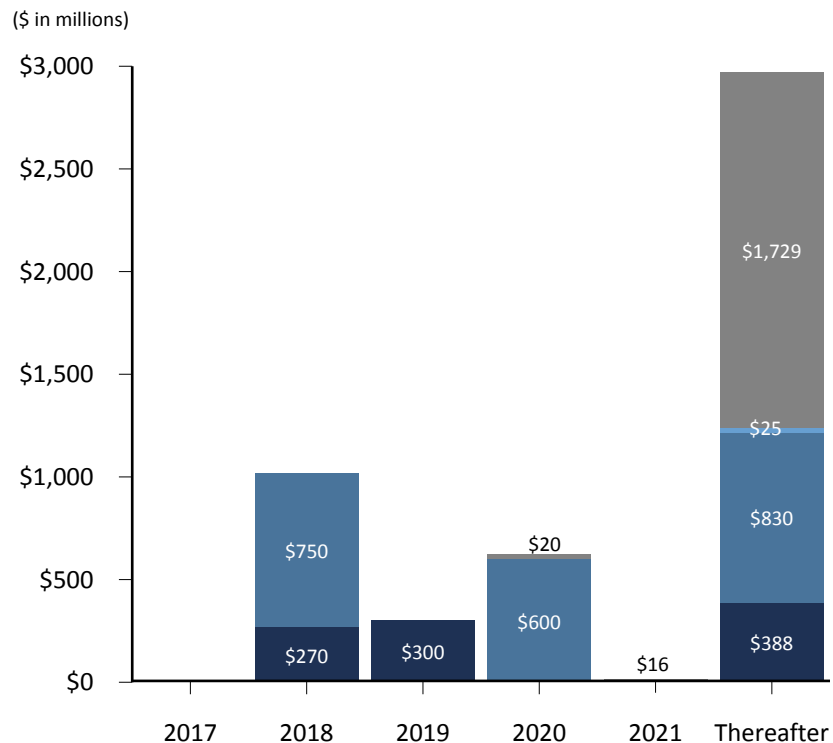
Floating and Fixed Rate Debt as of September 30, 2017:

Debt (dollar amounts in millions)	Principal Outstanding	Weighted Average Stated Interest Rate ⁽²⁰⁾	Weighted Average Maturity (in years)
Floating	\$ 845	3.28%	4.24
Fixed	3,888	4.22%	4.58
Total	\$ 4,733	4.05%	4.52

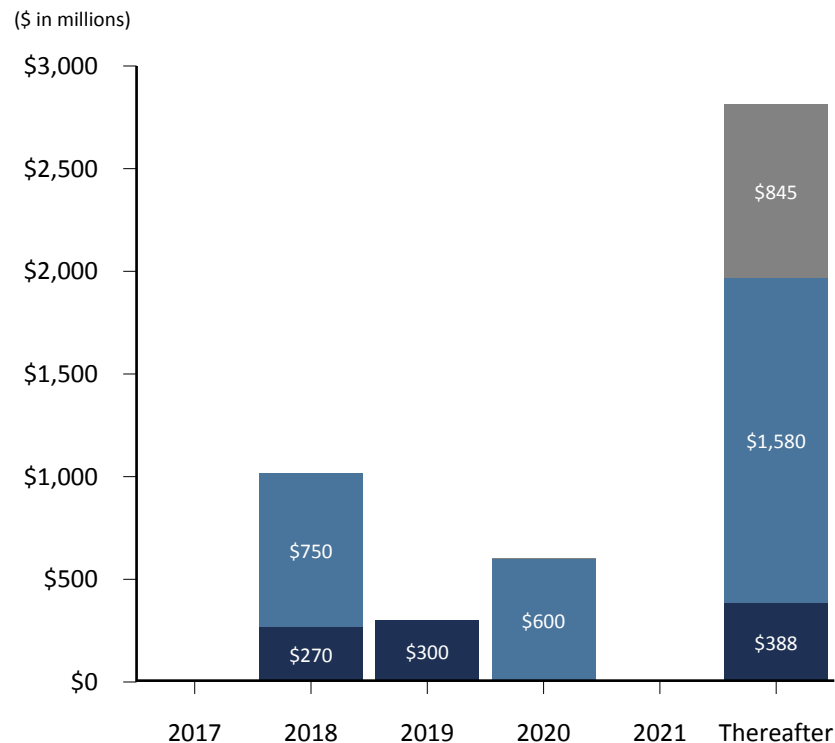
* In October 2017, Ares Capital's consolidated subsidiary, Ares Capital CP Funding LLC, entered into an agreement to amend the Revolving Funding Facility, that among other things, (a) modified the interest rate charged to a rate based on LIBOR plus 2.15% per annum or a "base rate" plus 1.15% per annum and (b) modified certain loan portfolio concentration limits.

Debt Summary

Debt Maturities*



As of June 30, 2017

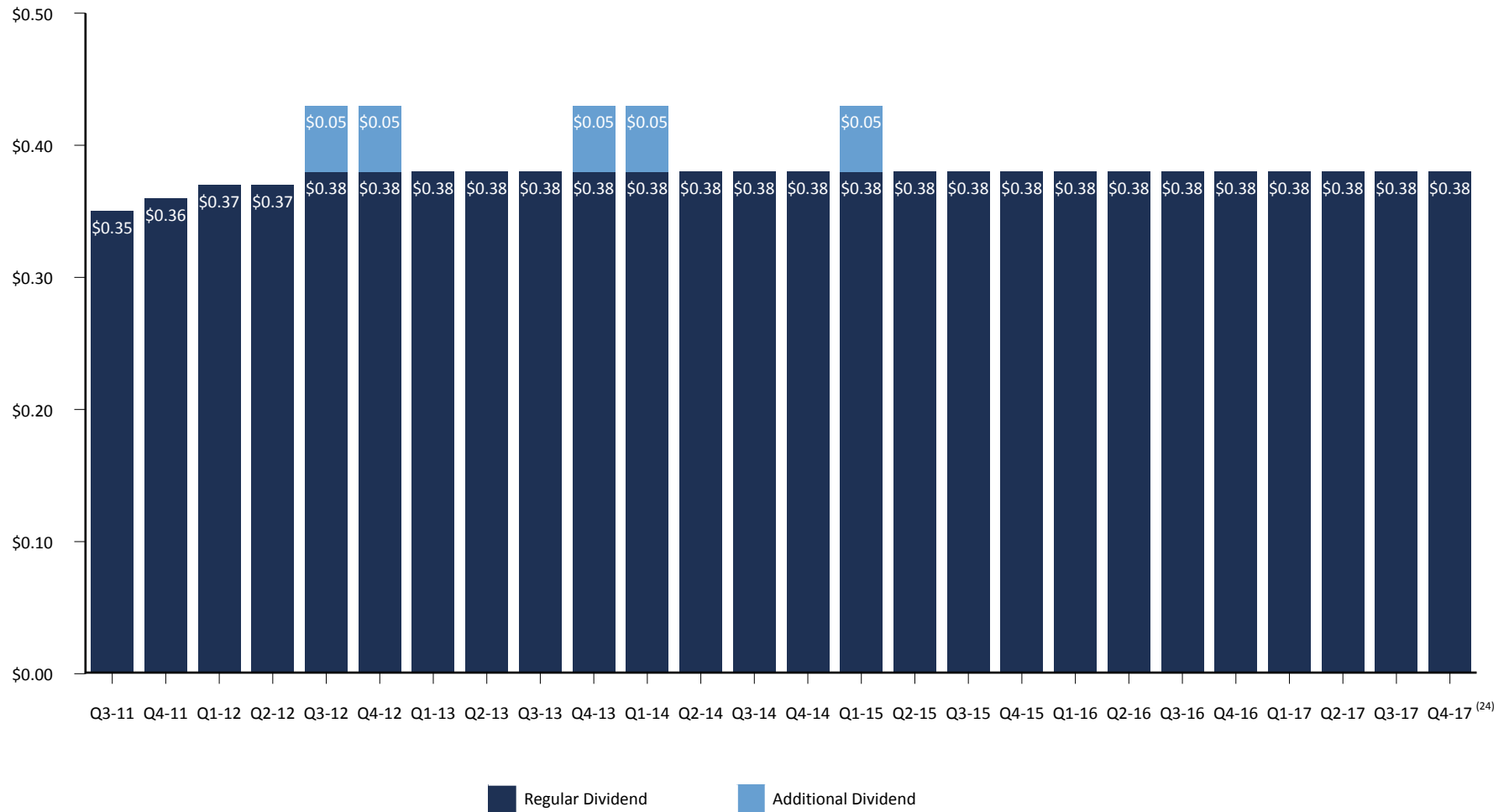


As of September 30, 2017

Convertible Unsecured Notes
 Other Unsecured Notes
 SBA Debentures
 Secured Revolving Facilities

* Represents the total aggregate principal amount outstanding.

Quarterly Dividends



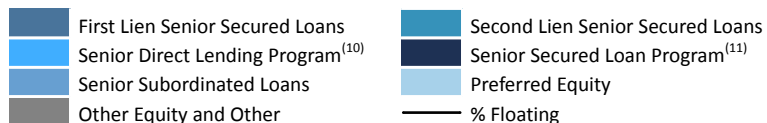
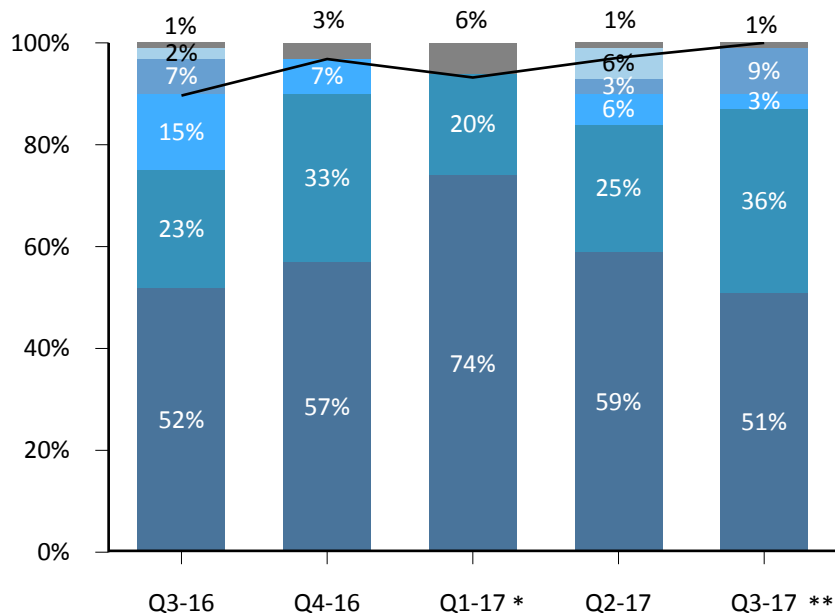
➤ Ares Capital carried forward excess taxable income of approximately \$340 million or \$0.80 per share* from 2016 for distribution to stockholders in 2017

* This per share amount has been calculated using outstanding shares as of January 3, 2017 after issuing shares in connection with the American Capital Acquisition as 2017 distributions made from such income carried forward from 2016 will be made to shares outstanding on such distribution record dates.

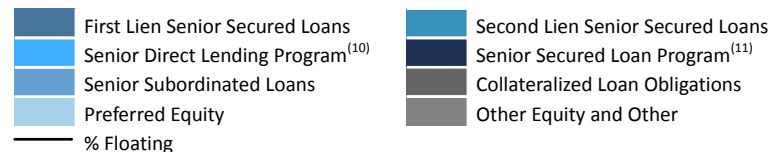
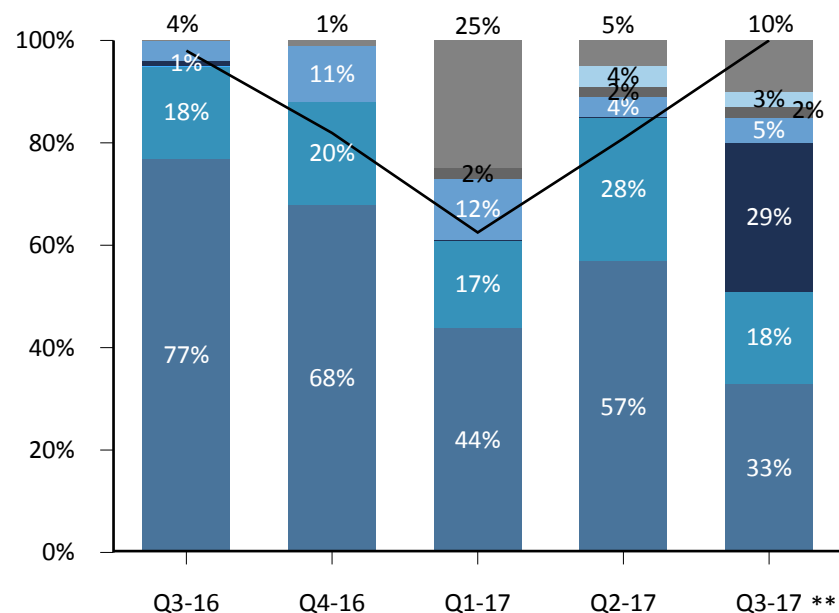


Portfolio Activity

Gross Commitments by Asset Class



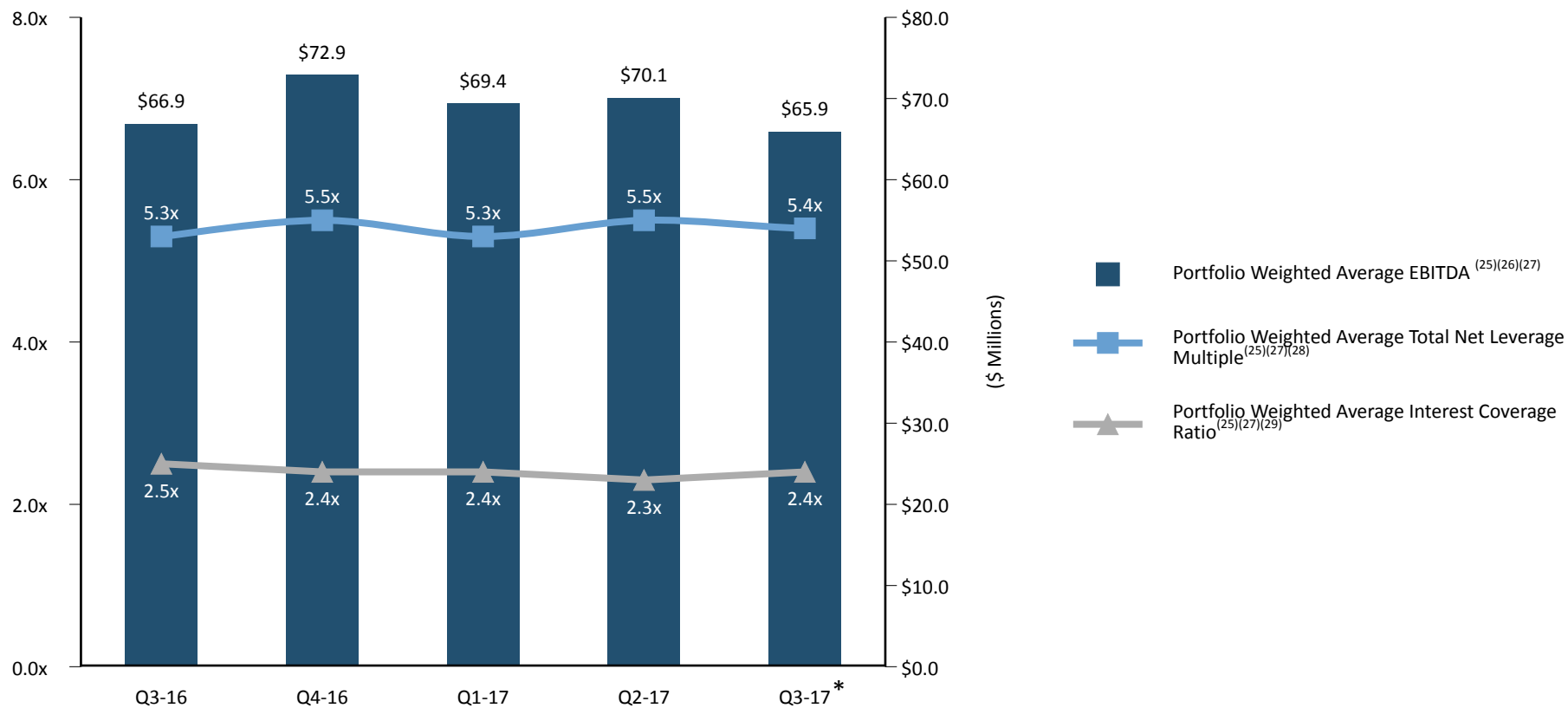
Exits of Commitments by Asset Class



* Excludes investments acquired as part of the American Capital Acquisition.

** Q3-17 excludes the impact of the first lien senior secured loans acquired by Ares Capital from the SSLP as well as the amounts received by Ares Capital from the SSLP's liquidation distribution. Q3-17 exits include \$474 million received from the SSLP as part of the previously recurring monthly waterfall distribution.

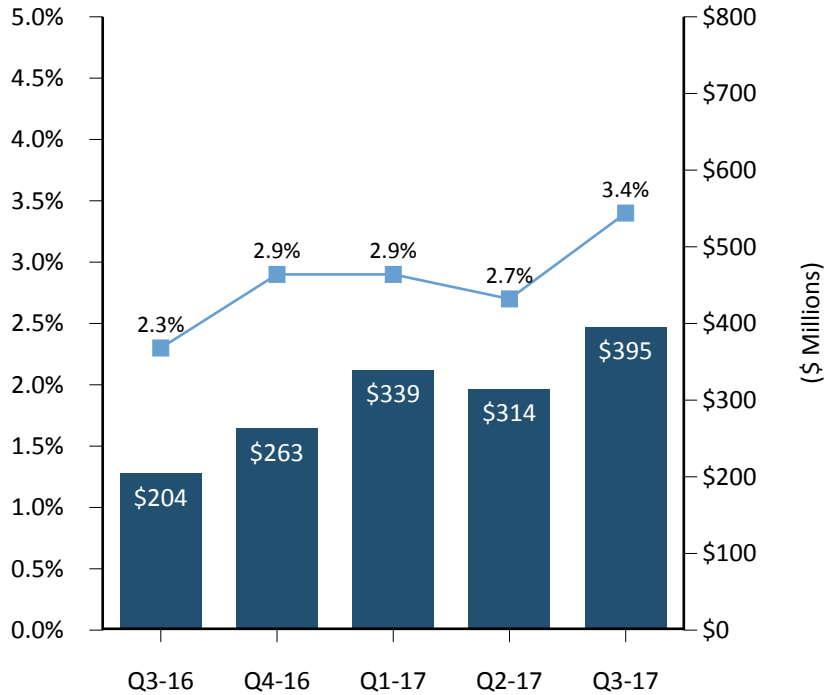
Portfolio Company EBITDA and Credit Statistics



* 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 Q3-17 was approximately 4% 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, this calculation excludes two companies where prior year comparable data was not available.⁽³⁰⁾

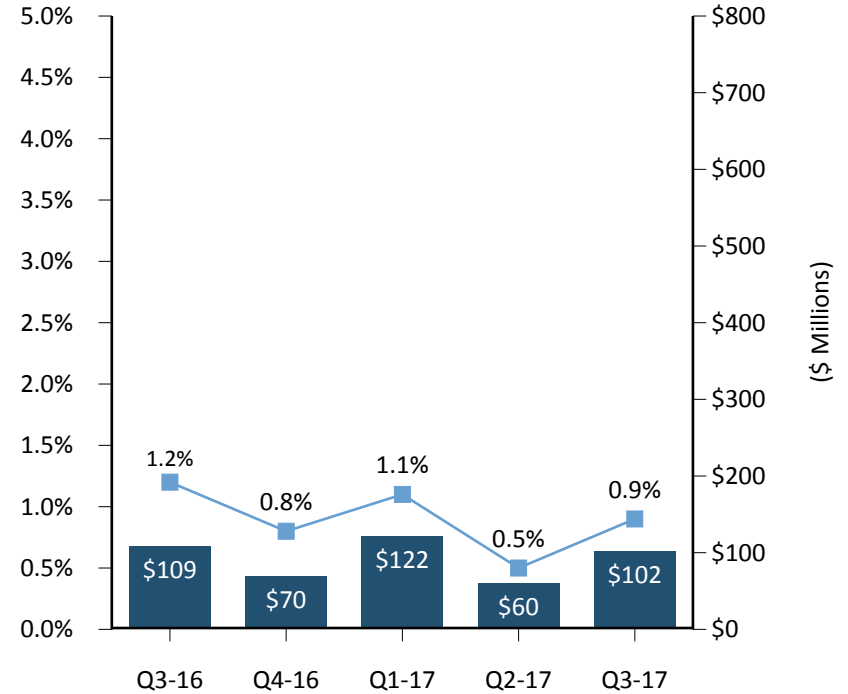
Investments on Non-Accrual Status

Amortized Cost



Investments on Non-Accrual Status

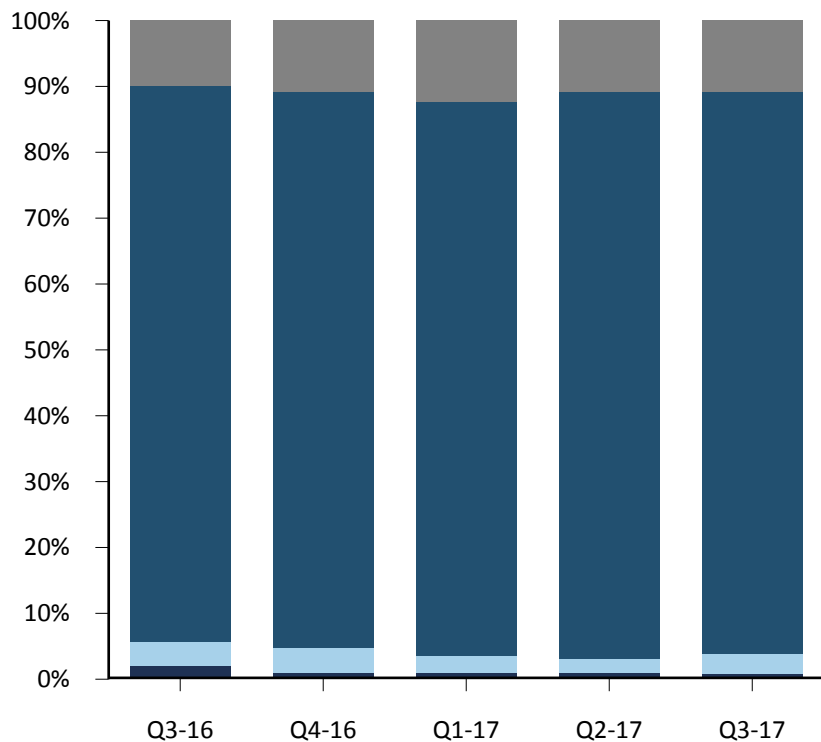
Fair Value



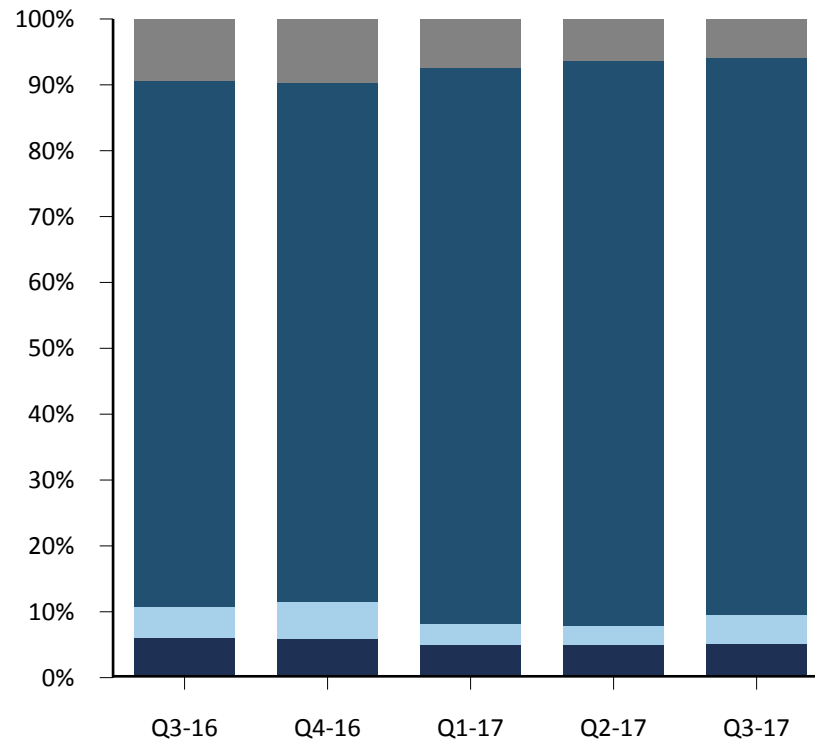
Percentage of Total Investment Portfolio

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 October 1, 2017 through October 26, 2017, Ares Capital made \$294 million of new investment commitments
 - 81% were in first lien senior secured loans and 19% were in second lien senior secured loans
 - 100% were floating rate
 - Weighted average yield of debt and other income producing securities funded at amortized cost of 7.7%

- From October 1, 2017 through October 26, 2017, Ares Capital exited \$80 million of investment commitments, including \$24 million of investment commitments acquired in the American Capital Acquisition
 - 35% were senior subordinated loans, 31% were first lien senior secured loans, 30% were collateralized loan obligations, 3% were other equity securities and 1% were investments in the subordinated certificates of the SDLP
 - 62% were floating rate, 35% were fixed rate and 3% were non-interest bearing
 - Weighted average yield of debt and other income producing securities exited or repaid at amortized cost was 11.4%
 - Weighted average yield on total investments exited or repaid during the period at amortized cost was 10.9%
 - Total net realized gains of approximately \$18 million

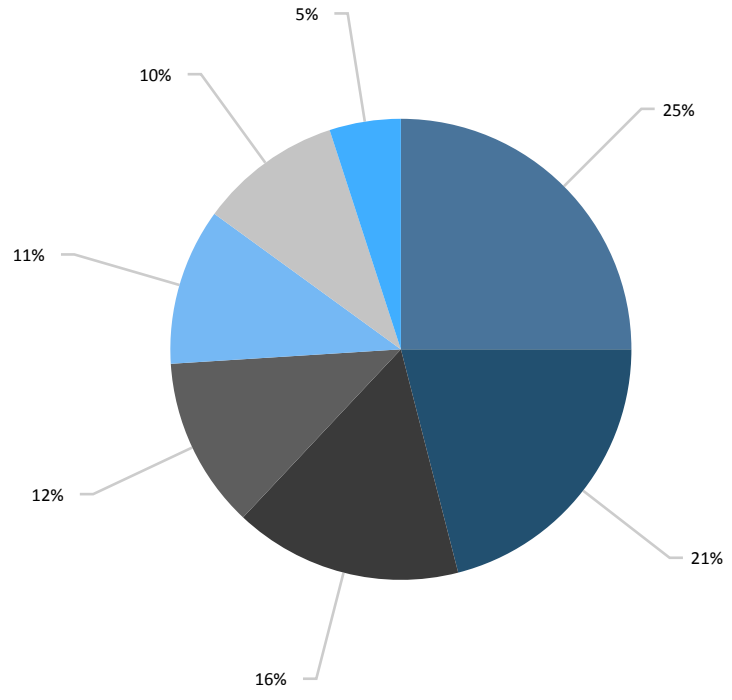
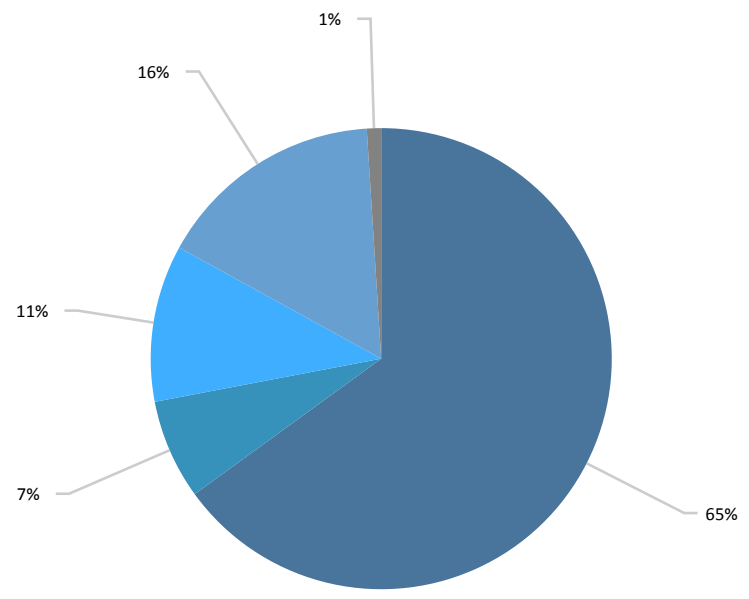
- In addition to the exits noted above, in November 2017, Ares Capital and Ares Venture Finance, L.P., Ares Capital's consolidated subsidiary, sold approximately \$125 million of investment commitments from our early-stage and/or venture capital-backed portfolio companies and recognized a net realized gain of approximately \$2 million.

Backlog and Pipeline

- As of October 26, 2017, we had a backlog and pipeline of approximately \$810 million and \$340 million, respectively⁽³²⁾
- The following is a breakdown of the backlog and pipeline by asset class and by industry

Asset Class

Industry



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

- Business Services
- Power Generation
- Healthcare Services
- Aerospace and Defense
- Senior Direct Lending Program
- Food and Beverage
- Other



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.

KIPP DEVEER
Chief Executive Officer of Ares Capital
Corporation
Head and Partner of the Ares Credit Group

STEVEN MCKEEVER
Founder and Chief Executive Officer of Hidden
Beach Recordings

DANIEL KELLY, JR.
Former Partner of Davis Polk & Wardwell LLP

ROBERT ROSEN
Chairman of Ares Commercial Real Estate
Corporation
Partner of Ares Real Estate Group

BENNETT ROSENTHAL
Co-Chairman of Ares Capital Corporation
Co-Founder and Partner of Ares
Co-Head and Partner of the Ares Private Equity
Group

ERIC SIEGEL
Retired Partner of Apollo Advisors, L.P.
Chairman of Executive Committee of El Paso
Electric Company

Investment Committee

MARK AFFOLTER
Partner of the Ares Credit Group

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

KIPP DEVEER
Chief Executive Officer of Ares Capital Corporation
Head and Partner of the Ares Credit Group

MITCHELL GOLDSTEIN
Co-President of Ares Capital Corporation
Co-Head and Partner of the Ares Credit Group

JIM MILLER
Partner of the Ares Credit Group

KORT SCHNABEL
Partner of the Ares Credit Group

DAVID SCHWARTZ
Partner of the Ares Credit Group

MICHAEL SMITH
Co-President of Ares Capital Corporation
Co-Head and Partner of the Ares Credit Group

Corporate Officers

MICHAEL AROUGHETI
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

PENNI ROLL
Chief Financial Officer

MICHAEL SMITH
Co-President

MICHAEL WEINER
Vice President

Research Coverage

BANK OF AMERICA MERRILL LYNCH
Derek Hewett – (415) 676-3518

BARCLAYS
Mark Devries – (212) 526-9484

BMO CAPITAL MARKETS
James Fotheringham – (212) 885-4180

JANNEY MONTGOMERY SCOTT
Mitchel Penn – (410) 583-5976

JEFFERIES
John Hecht – (415) 229-1569

JMP SECURITIES
Chris York – (415) 835-8965

J.P. MORGAN SECURITIES INC.
Richard Shane – (415) 315-6701

KBW, INC.
Ryan Lynch – (314) 342-2918

NATIONAL SECURITIES GROUP
Christopher Testa – (212) 417-7447

OPPENHEIMER & CO.
Allison Rudary - (212) 667-5366

RAYMOND JAMES
Robert Dodd – (901) 579-4560

RBC CAPITAL MARKETS CORP.
Jason Arnold – (415) 633-8594

SUNTRUST ROBINSON
HUMPHREY
Doug Mewhirter – (404) 926-5745

WELLS FARGO SECURITIES LLC
Jonathan Bock – (704) 410-1874

Corporate Counsel

PROSKAUER ROSE LLP
Los Angeles, CA

EVERSHEDS SUTHERLAND (US) LLP
Washington, D.C.

Independent Registered Public Accounting Firm

KPMG LLP
Los Angeles, CA

Corporate Headquarters

245 Park Avenue, 44th Floor
New York, NY 10167
Tel: (212) 710-2100
Fax: (212) 750-1777

Securities Listing

NASDAQ: ARCC

Transfer Agent

Computershare, Inc.
Tel: (866) 365-2497
www.computershare.com/investor

Investor Relations Contacts

CARL DRAKE
Partner and Head of Public Investor
Relations and Communications, Ares
Management LLC
Tel: (888) 818-5298

JOHN STILMAR
Principal, Investor Relations
Tel: (888) 818-5298

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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)				
	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16
Basic and Diluted Core EPS ⁽¹⁾	\$ 0.36	\$ 0.34	\$ 0.32	\$ 0.42	\$ 0.43
Professional fees and other costs related to the American Capital Acquisition ⁽¹⁵⁾	(0.01)	(0.03)	(0.06)	(0.01)	(0.01)
Net realized and unrealized gains (losses)	(0.03)	0.13	0.06	(0.20)	(0.09)
Capital gains incentive fees attributable to net realized and unrealized gains and losses	0.01	(0.02)	(0.04)	0.04	0.02
Income tax expense related to net realized gains and losses	—	—	—	(0.01)	—
Basic and Diluted GAAP EPS	<u>\$ 0.33</u>	<u>\$ 0.42</u>	<u>\$ 0.28</u>	<u>\$ 0.24</u>	<u>\$ 0.35</u>

	For the Nine Months Ended	
	(unaudited)	
	9/30/17	9/30/16
Basic and Diluted Core EPS ⁽¹⁾	\$ 1.01	\$ 1.19
Professional fees and other costs related to the American Capital Acquisition ⁽¹⁵⁾	(0.09)	(0.03)
Net realized and unrealized gains	0.15	0.14
Capital gains incentive fees attributable to net realized and unrealized gains and losses	(0.05)	(0.03)
Income tax expense related to net realized gains and losses	—	—
Basic and Diluted GAAP EPS	<u>\$ 1.02</u>	<u>\$ 1.27</u>

Investments Acquired in the American Capital Acquisition

(Dollar amounts in millions) (Unaudited)	Investments at Fair Value as of January 3, 2017			Investments at Fair Value as of September 30, 2017			Net Change in Fair Value
	Fair Value	% of Total	Yield at Fair Value	Fair Value	% of Total	Yield at Fair Value	
By Asset Class							
First Lien Senior Secured Loans	\$ 550	22%	7.4%	\$ 448	25%	7.5%	\$ (102)
Second Lien Senior Secured Loans	855	34%	10.0%	619	35%	9.8%	(236)
Senior Subordinated Loans	244	10%	11.3%	255	14%	13.3%	11
Collateralized Loan Obligations	265	10%	12.6%	158	9%	10.7%	(107)
Preferred Equity	109	4%	—%	127	7%	—%	18
Other Equity Securities	520	20%	—%	168	10%	—%	(352)
Total	\$ 2,543	100%	7.4%	\$ 1,775	100%	8.2%	\$ (768)

(Dollar amounts in millions) (Unaudited)	Reconciliation of Net Change in Fair Value from January 3, 2017 Through September 30, 2017
Total Investments at Fair Value as of January 3, 2017	\$ 2,543
Proceeds from Exits and Repayments	(1,071)
Net Realized Gains	79
Net Unrealized Appreciation	94
Other*	130
Total Investments at Fair Value as of September 30, 2017	\$ 1,775

* Including fundings of revolvers and other commitments of \$100 million, paid-in-kind interest and accretion of purchase discounts.

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 acquisition of American Capital, Ltd. ("American Capital") (the "American Capital Acquisition"), net 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 net 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 are set forth on page 24 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, as well as sales made related to the initial funding of the Senior Direct Lending Program LLC (the "SDLP") in July 2016.
- 3) The weighted average yield on debt and other income producing securities 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 or at fair value, as applicable.
- 4) The weighted average yield on the total investment portfolio 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 or at fair value, as applicable.
- 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) the 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) Represents Ares Capital's portion of co-investments with Varagon Capital Partners ("Varagon") and its clients in first lien senior secured loans to U.S. middle-market companies. As of September 30, 2017, the SDLP's loan portfolio totaled approximately \$2.1 billion aggregate principal amount and had loans to 18 different borrowers. As of September 30, 2017, the SDLP's largest loan to a single borrower was \$200 million aggregate principal amount and the five largest loans to borrowers totaled \$886 million aggregate principal amount. The portfolio companies in the SDLP are in industries similar to companies in Ares Capital's portfolio. See Note 4 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended September 30, 2017 for information regarding the SDLP.
- 11) Represented 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. The portfolio companies in the Senior Secured Loan Program ("SSLP") were in industries similar to companies in Ares Capital's portfolio. In July 2017, Ares Capital and GE agreed to an early termination of the SSLP. See Note 4 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended September 30, 2017 for information regarding the SSLP.
- 12) As of September 30, 2017, 76% of the total investments at fair value and 93% of the floating rate investments at fair value contained interest rate floor features. Additionally, as of September 30, 2017, all the loans made through the the SDLP contained interest rate floor features.

Endnotes (cont'd)

- 13) Represents gross commitments or fundings less commitments or investments exited, respectively. Q3-17, Q2-17, Q1-17, Q4-16 and Q3-16 include sales to IHAM or vehicles managed by IHAM of \$59 million, \$8 million, \$24 million, \$172 million and \$204 million, respectively. Q3-16 also includes sales to the SDLP of \$529 million.
- 14) In connection with the American Capital Acquisition, Ares Capital Management agreed to waive, for each of the first 10 calendar quarters beginning with the second quarter of 2017, the lesser of (x) \$10 million of income based fees and (y) the amount of income based fees for such quarter, in each case, to the extent earned and payable by Ares Capital in such quarter pursuant to and as calculated under Ares Capital's investment advisory and management agreement.
- 15) See Note 14 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended September 30, 2017 for information regarding the American Capital Acquisition that closed on January 3, 2017 (the "Acquisition Date").
- 16) 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 applicable stated maturity.
- 17) Subject to borrowing base, leverage and other restrictions. Represents total aggregate amount committed or outstanding, as applicable, under such instrument.
- 18) Represents the aggregate principal amount of the notes outstanding adjusted for the unaccreted discount or premium initially recorded at the time of issuance.
- 19) Represents the aggregate principal amount of the notes outstanding less the unaccreted purchased discount initially recorded at the time of acquisition.
- 20) Effective stated rate as of September 30, 2017.
- 21) 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 September 30, 2017, the interest rate in effect was LIBOR plus 1.75%. The Revolving Credit Facility consists of a \$395 million term loan tranche with a stated maturity date of January 4, 2022 and a \$1,713 million revolving tranche. For \$1,630 million of the revolving tranche, the end of the revolving period and the stated maturity date are January 4, 2021 and January 4, 2022, respectively. For \$38 million of the revolving tranche, the end of the revolving period and the stated maturity date are May 4, 2020 and May 4, 2021, respectively. For the remaining \$45 million of the revolving tranche, the end of the revolving period and the stated maturity date are May 4, 2019 and May 4, 2020, respectively.
- 22) 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 September 30, 2017, the interest rate in effect was LIBOR plus 1.75%.
- 23) In September 2017, Ares Venture Finance, L.P. fully repaid the \$25 million of SBA Debentures outstanding at the time. See Note 5 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended September 30, 2017 for more information.
- 24) Declared. The fourth quarter 2017 dividend of \$0.38 per share to be paid on December 29, 2017 to stockholders of record on December 15, 2017.
- 25) 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) the SDLP (and the underlying borrowers in the SDLP), (iii) portfolio companies that do not report EBITDA, including IHAM, (iv) investment funds/vehicles, (v) discrete projects in the project finance/power generation sector, (vi) certain oil and gas companies, (vii) venture capital backed companies and (viii) commercial real estate finance companies. The weighted average EBITDA for the underlying borrowers in the SSLP was \$58.2 million, \$54.3 million, \$58.0 million, and \$43.7 million as of 9/30/16, 12/31/16, 3/31/17, and 6/30/17, respectively. The weighted average EBITDA for the underlying borrowers in the SDLP was \$31.2 million, \$31.8 million, \$38.3 million, and \$40.4 million as of 12/31/16, 6/30/17 and 9/30/17, respectively.

Endnotes (cont'd)

- 26) 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 was 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.
- 27) 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.
- 28) 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 weighted average total net leverage multiples for borrowers in the SSLP and SDLP represent the SSLP's and SDLP's last dollar of invested debt capital (net of cash) as a multiple of EBITDA. The weighted average total net leverage multiple for the underlying borrowers in the SSLP was 4.9x, 5.1x, 4.9x, and 4.9x as of 9/30/16, 12/31/16, 3/31/17, and 6/30/17, respectively. The weighted average total net leverage multiple for the underlying borrowers in the SDLP was 5.3x, 5.2x, 5.6x, and 5.4x as of 12/31/16, 3/31/17, 6/30/17 and 9/30/17, respectively. Portfolio company credit statistics for Ares Capital, the SSLP and the SDLP 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.
- 29) Portfolio weighted average interest coverage ratio represents the portfolio company's EBITDA as a multiple of interest and facility fees expense. The weighted average interest coverage ratio for the underlying borrowers in the SSLP was 2.6x, 2.4x, 2.5x, and 2.3x as of 9/30/16, 12/31/16, 3/31/17, and 6/30/17, respectively. The weighted average interest coverage ratio for the underlying borrowers in the SDLP was 2.5x, 2.6x, 2.3x, and 2.4x as of 12/31/16, 3/31/17, 6/30/17 and 9/30/17, respectively. Portfolio company credit statistics for Ares Capital, the SSLP and the SDLP 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.
- 30) 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.
- 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.

We assigned a fair value as of the Acquisition Date to each of the portfolio investments acquired in connection with the American Capital Acquisition, which became the initial cost basis of such investments. Each investment was initially assessed a grade of 3 (i.e., generally the grade we assign a portfolio company at acquisition), reflecting the relative risk to our initial cost basis of such investments. It is possible that the grades of these portfolio investments may be reduced or increased after the Acquisition Date.

Endnotes (cont'd)

- 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.