

ARES CAPITAL CORP
Form 497
January 20, 2012

Use these links to rapidly review the document

[Prospectus TABLE OF CONTENTS](#)

[ABOUT THIS PROSPECTUS](#)

[INDEX TO CONSOLIDATED FINANCIAL STATEMENTS](#)

[Table of Contents](#)

**Filed pursuant to Rule 497
Registration No. 333-174716**

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

**Subject to Completion
Preliminary Prospectus Supplement dated January 19, 2012**

PROSPECTUS SUPPLEMENT

(To prospectus dated October 28, 2011)

14,280,000 Shares

Common Stock

We are offering for sale 14,280,000 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 and the rules and regulations promulgated thereunder. 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, a wholly owned subsidiary of Ares Management LLC, a global alternative asset manager and a Securities and Exchange Commission ("SEC") registered investment adviser with approximately \$46 billion of total committed capital under management as of December 31, 2011. Ares Operations LLC, a wholly owned subsidiary 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 January 19, 2012, the last reported sales price of our common stock on The NASDAQ Global Select Market was \$16.09 per share. The net asset value per share of our common stock at September 30, 2011 (the last date prior to the date of this prospectus supplement on which we determined net asset value) was \$15.13.

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 27 of the accompanying prospectus, including the risk of leverage.

Edgar Filing: ARES CAPITAL CORP - Form 497

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 this information. The information on the websites referred to herein is not incorporated by reference into this prospectus supplement and the accompanying prospectus.

The underwriters have agreed to purchase the common stock from us at a price of \$ _____ per share, which will result in \$ _____ of proceeds to us before expenses. The underwriters may offer the shares of common stock from time to time for sale in one or more transactions on the NASDAQ Global Select Market, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices.

The underwriters may also purchase up to an additional 2,142,000 shares of our common stock from us at the price per share set forth above within 30 days of the date of this prospectus supplement.

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 _____, 2012.

Joint Book-Running Managers

BofA Merrill Lynch

Morgan Stanley

The date of this prospectus supplement is _____, 2012.

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**

	Page
<u>Forward-Looking Statements</u>	<u>S-1</u>
<u>The Company</u>	<u>S-3</u>
<u>Fees and Expenses</u>	<u>S-9</u>
<u>Selected Condensed Consolidated Financial Data of Ares Capital</u>	<u>S-13</u>
<u>Unaudited Selected Pro Forma Condensed Consolidated Statement of Operations</u>	<u>S-18</u>
<u>Unaudited Pro Forma Per Share Data</u>	<u>S-19</u>
<u>Use of Proceeds</u>	<u>S-20</u>
<u>Price Range of Common Stock and Distributions</u>	<u>S-22</u>
<u>Capitalization</u>	<u>S-25</u>
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>S-26</u>
<u>Certain Material U.S. Federal Income Tax Considerations</u>	<u>S-54</u>
<u>Underwriting</u>	<u>S-65</u>
<u>Underwriting (Conflicts of Interest)</u>	<u>S-68</u>
<u>Legal Matters</u>	<u>S-70</u>
<u>Financial Statements</u>	<u>S-71</u>

**Prospectus
TABLE OF CONTENTS**

	Page
Prospectus Summary	1
The Company	1
Offerings	14
Fees and Expenses	16
Selected Condensed Consolidated Financial Data of Ares Capital	20
Unaudited Selected Pro Forma Condensed Consolidated Statements of Operations	25
Unaudited Pro Forma Per Share Data	26
Risk Factors	27
Forward-Looking Statements	53
Unaudited Pro Forma Condensed Consolidated Statement of Operations	55
Use of Proceeds	59
Price Range of Common Stock and Distributions	61
Ratios of Earnings to Fixed Charges	64
Management's Discussion and Analysis of Financial Condition and Results of Operations	65
Senior Securities	96
Business	98
Portfolio Companies	115
Management	126

Edgar Filing: ARES CAPITAL CORP - Form 497

Table of Contents

	Page
Certain Relationships and Related Transactions	153
Control Persons and Principal Stockholders	154
Determination of Net Asset Value	156
Dividend Reinvestment Plan	158
Certain Material U.S. Federal Income Tax Considerations	160
Description of Securities	171
Description of Our Capital Stock	171
Description of Our Preferred Stock	179
Description of Our Subscription Rights	180
Description of Our Warrants	181
Description of Our Debt Securities	183
Description of Our Units	195
Sales of Common Stock Below Net Asset Value	196
Issuance of Warrants or Securities to Subscribe For or Convertible Into Shares of Our Common Stock	201
Regulation	202
Custodian, Transfer and Dividend Paying Agent and Registrar	208
Brokerage Allocation and Other Practices	208
Plan of Distribution	209
Legal Matters	211
Independent Registered Public Accounting Firm	211
Available Information	211
Financial Statements	F-1

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 (including interpretation thereof) 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, including rotating out of certain investments acquired in connection therewith;

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;

Middle East turmoil and the potential for rising energy prices and its impact on the industries in which we invest;

the general economy (including inflation and the U.S. budget deficit) and its impact on the industries in which we invest;

the uncertainty surrounding the strength of the U.S. economic recovery;

Edgar Filing: ARES CAPITAL CORP - Form 497

United States and European sovereign debt issues;

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 dividend distributions;

the timing of cash flows, if any, from the operations of our portfolio companies; and

the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments.

We use words such as "anticipates," "believes," "expects," "intends," "will," "should," "may" and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. Our actual results and condition could differ materially from those

S-1

Table of Contents

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 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, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

