

ARES CAPITAL CORP
Form 10-Q
November 08, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

x

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2007

OR

o

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period to

Commission File No. 000-50697

ARES CAPITAL CORPORATION

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(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

33-1089684
(I.R.S. Employer
Identification Number)

280 Park Avenue, 22nd Floor, Building East, New York, NY 10017

(Address of principal executive office) (Zip Code)

(212) 750-7300

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Outstanding at November 8, 2007 |
|---------------------------------|---------------------------------|
| Common stock, \$0.001 par value | 72,684,090 |

ARES CAPITAL CORPORATION

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ARES CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

| | September 30, 2007 (unaudited) | As of | December 31, 2006 |
|--|-----------------------------------|-------|-------------------|
| ASSETS | | | |
| Investments at fair value (amortized cost of \$1,616,635,547 and \$1,245,758,040, respectively) | | | |
| Non-control/non-affiliate investments | \$ 1,216,373,487 | \$ | 991,529,464 |
| Non-control affiliated company investments | 288,372,864 | | 244,292,372 |
| Control affiliated company investments | 110,826,428 | | |
| Total investments at fair value | 1,615,572,779 | | 1,235,821,836 |
| Cash and cash equivalents | 48,707,617 | | 91,538,878 |
| Receivable for open trades | 142,155 | | 1,026,053 |
| Interest receivable | 17,428,045 | | 10,121,104 |
| Other assets | 8,487,911 | | 9,483,083 |
| Total assets | \$ 1,690,338,507 | \$ | 1,347,990,954 |
| LIABILITIES | | | |
| Debt | \$ 527,500,000 | \$ | 482,000,000 |
| Payable for open trades | | | 60,000,000 |
| Accounts payable and accrued expenses | 3,483,917 | | 2,027,948 |
| Management and incentive fees payable | 12,124,595 | | 12,485,016 |
| Interest and facility fees payable | 2,904,578 | | 2,044,586 |
| Total liabilities | 546,013,090 | | 558,557,550 |
| Commitments and contingencies (Note 6) | | | |
| STOCKHOLDERS' EQUITY | | | |
| Common stock, par value \$.001 per share, 100,000,000 common shares authorized, 72,684,090 and 52,036,527 common shares issued and outstanding, respectively | 72,683 | | 52,037 |
| Capital in excess of par value | 1,140,951,235 | | 785,192,573 |
| Accumulated undistributed net investment income | | | 7,038,469 |
| Accumulated net realized gains on sale of investments | 4,364,267 | | 7,086,529 |
| Net unrealized depreciation on investments | (1,062,768) | | (9,936,204) |
| Total stockholders' equity | 1,144,325,417 | | 789,433,404 |
| Total liabilities and stockholders' equity | \$ 1,690,338,507 | \$ | 1,347,990,954 |
| NET ASSETS PER SHARE | \$ 15.74 | \$ | 15.17 |

See accompanying notes to consolidated financial statements.

ARES CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

| | For the Three Months Ended September 30, 2007 (unaudited) | For the Three Months Ended September 30, 2006 (unaudited) | For the Nine Months Ended September 30, 2007 (unaudited) | For the Nine Months Ended September 30, 2006 (unaudited) |
|--|--|--|---|---|
| INVESTMENT INCOME: | | | | |
| From non-control/non-affiliate company investments: | | | | |
| Interest from investments | \$ 35,827,080 | \$ 22,894,133 | \$ 99,972,569 | \$ 58,682,492 |
| Capital structuring service fees | 578,147 | 3,888,145 | 6,845,104 | 10,304,843 |
| Interest from cash & cash equivalents | 790,522 | 938,670 | 2,282,478 | 1,369,847 |
| Dividend income | 634,816 | | 1,384,816 | 1,170,000 |
| Other income | 218,131 | 154,962 | 724,812 | 441,972 |
| Total investment income from non-control/non-affiliate company investments | 38,048,696 | 27,875,910 | 111,209,779 | 71,969,154 |
| From non-control affiliated company investments: | | | | |
| Interest from investments | 5,669,413 | 3,611,098 | 13,315,182 | 8,848,228 |
| Capital structuring service fees | | 200,000 | 2,635,000 | 1,383,810 |
| Dividend income | 388,885 | 121,074 | 891,590 | 121,074 |
| Other income | 228,490 | 23,712 | 762,500 | 190,584 |
| Total investment income from non-control affiliated company investments | 6,286,788 | 3,955,884 | 17,604,272 | 10,543,696 |
| From control affiliated company investments: | | | | |
| Interest from investments | 1,355,340 | | 3,181,102 | |
| Capital structuring service fees | 2,107,231 | | 2,899,231 | |
| Dividend income | 121,074 | | 121,074 | |
| Other income | 12,305 | | 29,918 | |
| Total investment income from control affiliated company investments | 3,595,950 | | 6,231,325 | |
| Total investment income | 47,931,434 | 31,831,794 | 135,045,376 | 82,512,850 |
| EXPENSES: | | | | |
| Interest and credit facility fees | 9,352,757 | 4,901,647 | 25,466,645 | 11,405,010 |
| Base management fees | 6,158,583 | 3,660,997 | 17,062,254 | 9,311,853 |
| Incentive management fees | 5,966,011 | 4,464,141 | 16,949,183 | 14,327,424 |
| Professional fees | 1,039,619 | 618,059 | 3,529,025 | 1,766,147 |
| Insurance | 270,180 | 205,670 | 801,035 | 592,202 |
| Administrative | 291,000 | 201,763 | 736,357 | 567,787 |
| Depreciation | 103,425 | 99,595 | 306,903 | 148,896 |
| Directors fees | 64,750 | 52,750 | 192,750 | 189,919 |
| Interest to the Investment Adviser | | | | 25,879 |
| Other | 855,059 | 552,221 | 2,268,655 | 937,837 |
| Total expenses | 24,101,384 | 14,756,843 | 67,312,807 | 39,272,954 |
| NET INVESTMENT INCOME BEFORE INCOME TAXES | 23,830,050 | 17,074,951 | 67,732,569 | 43,239,896 |

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|--|-------------------|-------------------|-------------------|-------------------|
| Income tax expense (benefit), including excise tax | (78,788) | (253,044) | (112,069) | 4,927,471 |
| NET INVESTMENT INCOME | 23,908,838 | 17,327,995 | 67,844,638 | 38,312,425 |
| REALIZED AND UNREALIZED NET GAINS ON INVESTMENTS: | | | | |
| Net realized gains (losses): | | | | |
| Net realized gains from non-control/non-affiliate company investments | | | | |
| | 7,398,059 | 1,611,935 | (446,199) | 26,055,526 |
| Net realized gains from non-control affiliated company investments | | | | |
| | | | | 47,283 |
| Net realized gains from control affiliated company investments | | | | |
| | 3,488,289 | | 3,808,759 | |
| Net realized gains from investments | | | | |
| | 10,886,348 | 1,611,935 | 3,362,560 | 26,102,809 |
| Net unrealized gains (losses): | | | | |
| Net unrealized gains (losses) from non-control/non-affiliate company investments | | | | |
| | (2,852,640) | (2,302,632) | 9,431,260 | (14,797,305) |
| Net unrealized gains (losses) from non-control affiliated company investments | | | | |
| | (9,018,072) | 1,503,824 | (7,968,317) | (941,094) |
| Net unrealized gains from control affiliated company investments | | | | |
| | | | 7,410,493 | |
| Net unrealized gains (losses) from investments | | | | |
| | (11,870,712) | (798,808) | 8,873,436 | (15,738,399) |
| Net realized and unrealized gains (losses) from investments | | | | |
| | (984,364) | 813,127 | 12,235,996 | 10,364,410 |
| NET INCREASE IN STOCKHOLDERS' EQUITY RESULTING FROM OPERATIONS | | | | |
| | \$ 22,924,474 | \$ 18,141,122 | \$ 80,080,634 | \$ 48,676,835 |
| BASIC AND DILUTED EARNINGS PER COMMON SHARE (see Note 4) | | | | |
| | \$ 0.32 | \$ 0.39 | \$ 1.25 | \$ 1.19 |
| WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING (see Note 4) | | | | |
| | 70,712,458 | 46,880,245 | 64,296,949 | 41,018,821 |

See accompanying notes to consolidated financial statements.

ARES CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS

As of September 30, 2007

| Company {1} | Industry | Investment | Interest {20} | Initial Acquisition Date | Amortized Cost | Fair Value | Fair Value Per Unit | Percentage of Net Assets |
|--|--|--|-----------------------------|--------------------------|----------------|--------------|---------------------|--------------------------|
| Healthcare - Services | | | | | | | | |
| American Renal Associates, Inc. | Dialysis provider | Senior secured loan (\$2,131,147 par due 12/2010) | 8.36% (Libor+ 3.25%/S) | 12/14/05 | \$ 2,131,147 | \$ 2,131,147 | \$ 1.00{3} | |
| | | Senior secured loan (\$5,770,492 par due 12/2011) | 8.36% (Libor + 3.25%/S) | 12/14/05 | 5,770,492 | 5,770,492 | \$ 1.00{3} | |
| | | Senior secured loan (\$42,623 par due 12/2011) | 9.50% (Base Rate + 1.75%/D) | 12/14/05 | 42,623 | 42,623 | \$ 1.00{3} | |
| | | Senior secured loan (\$393,741 par due 12/2011) | 8.36% (Libor + 3.25%/Q) | 12/14/05 | 393,741 | 393,741 | \$ 1.00 | |
| | | Senior secured loan (\$261,997 par due 12/2011) | 8.36% (Libor + 3.25%/Q) | 12/14/05 | 261,997 | 261,997 | \$ 1.00{3} | |
| | | Senior secured loan (\$196,721 par due 12/2010) | 8.45% (Libor + 3.25%/Q) | 12/14/05 | 196,721 | 196,721 | \$ 1.00{3} | |
| | | Senior secured loan (\$196,721 par due 12/2010) | 9.20% (Libor + 4.00%/Q) | 12/14/05 | 196,721 | 196,721 | \$ 1.00{3} | |
| | | Senior secured loan (\$3,937,406 par due 12/2011) | 8.61% (Libor + 3.25% /Q) | 12/14/05 | 3,937,406 | 3,937,406 | \$ 1.00 | |
| | | Senior secured loan (\$2,619,971 par due 12/2011) | 8.61% (Libor + 3.25% /Q) | 12/14/05 | 2,619,971 | 2,619,971 | \$ 1.00{3} | |
| Capella Healthcare, Inc. | Acute care hospital operator | Junior secured loan (\$19,000,000 par due 11/2013) | 10.70% (Libor + 5.50%/Q) | 12/1/05 | 19,000,000 | 19,000,000 | \$ 1.00 | |
| | | Junior secured loan (\$30,000,000 par due 11/2013) | 10.70% (Libor + 5.50%/Q) | 12/1/05 | 30,000,000 | 30,000,000 | \$ 1.00{2} | |
| CT Technologies Intermediate Holdings, Inc. and CT Technologies Holdings, LLC {15} | Healthcare information management services | Senior secured revolving loan (\$810,000 par due 3/2012) | 10.38% (Libor + 5.00%/S) | 6/15/07 | 810,000 | 810,000 | \$ 1.00 | |
| | | Senior secured revolving loan (\$810,000 par due 3/2012) | 10.82% (Libor + 5.00%/M) | 6/15/07 | 810,000 | 810,000 | \$ 1.00 | |

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|---|----------------------------------|--|------------------------------|---------|------------|------------|----|-------------|
| | | Senior secured revolving loan (\$810,000 par due 3/2012) | 10.36% (Libor + 5.00%/Q) | 6/15/07 | 810,000 | 810,000 | \$ | 1.00 |
| | | Senior secured loan (\$20,333,333 par due 3/2012) | 10.38% (Libor + 5.00%/S) | 6/15/07 | 20,333,333 | 20,333,333 | \$ | 1.00 |
| | | Senior secured loan (\$20,333,333 par due 3/2012) | 10.82% (Libor + 5.00%/M) | 6/15/07 | 20,333,333 | 20,333,333 | \$ | 1.00 |
| | | Senior secured loan (\$20,333,333 par due 3/2012) | 10.36% (Libor + 5.00%/Q) | 6/15/07 | 20,333,333 | 20,333,333 | \$ | 1.00 |
| | | Preferred stock (6,000 shares) | | 6/15/07 | 6,000,000 | 6,000,000 | \$ | 1,000.00{5} |
| | | Common stock (9,679 shares) | | 6/15/07 | 4,000,000 | 4,000,000 | \$ | 413.27{5} |
| | | Common stock (1,546 shares) | | 6/15/07 | | | \$ | {5} |
| DSI Renal, Inc. | Dialysis provider | Senior subordinated note (\$70,971,360 par due 4/2014) | 12.00% Cash, 2.00% PIK | 4/4/06 | 70,588,540 | 70,971,360 | \$ | 1.00{4} |
| | | Senior subordinated note (\$11,459,476 par due 4/2014) | 12.00% Cash, 2.00% PIK | 4/4/06 | 11,459,476 | 11,459,476 | \$ | 1.00{4}{3} |
| | | Senior secured revolving loan (\$3,200,000 par due 3/2013) | 8.38% (Libor + 3.00%/Q) | 4/4/06 | 3,200,000 | 3,158,400 | \$ | 0.99 |
| | | Senior secured revolving loan (\$1,600,000 par due 3/2013) | 8.63% (Libor + 3.00%/Q) | 4/4/06 | 1,600,000 | 1,579,200 | \$ | 0.99 |
| | | Senior secured revolving loan (\$800,000 par due 3/2013) | 8.56% (Libor + 3.00%/Q) | 4/4/06 | 800,000 | 789,600 | \$ | 0.99 |
| | | Senior secured revolving loan (\$800,000 par due 3/2013) | 8.56% (Libor + 3.00%/M) | 4/4/06 | 800,000 | 789,600 | \$ | 0.99 |
| | | Senior secured revolving loan (\$267,200 par due 3/2013) | 10.25% (Base Rate + 2.50%/D) | 4/4/06 | 267,200 | 263,726 | \$ | 0.99 |
| MPBP Holdings, Inc., Cohr Holdings, Inc. and MPBP Acquisition Co., Inc. | Healthcare equipment services | Junior secured loan (\$20,000,000 par due 1/2014) | 11.53% (Libor + 6.25%/S) | 1/31/07 | 20,000,000 | 20,000,000 | \$ | 1.00 |
| | | Junior secured loan (\$12,000,000 par due 1/2014) | 11.53% (Libor + 6.25%/S) | 1/31/07 | 12,000,000 | 12,000,000 | \$ | 1.00{3} |
| | | Common stock (50,000 shares) | | 1/31/07 | 5,000,000 | 5,000,000 | \$ | 100.00{5} |
| MWD Acquisition Sub, Inc. | Dental services | Senior secured loan (\$4,974,519 par due 5/2013) | 8.57% (Libor + 3.25%/S) | 5/3/07 | 4,962,083 | 4,962,083 | \$ | 1.00 |
| | | Senior secured loan (\$12,740 par due 5/2013) | 8.61% (Libor + 3.25%/Q) | 5/3/07 | 12,709 | 12,709 | \$ | 1.00 |
| | | Junior secured loan (\$5,000,000 par due 5/2012) | 11.57% (Libor + 6.25%/S) | 5/3/07 | 5,000,000 | 5,000,000 | \$ | 1.00 |
| OnCURE Medical Corp. | Radiation oncology care provider | Senior subordinated note (\$25,956,654 par due 8/2013) | 11.00% Cash, 1.50% PIK | 8/18/06 | 25,956,654 | 25,956,654 | \$ | 1.00{4} |

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|---------------------------------------|--|---|------------------------------|----------|-------------|-------------|----|---------|
| | | Senior secured loan (\$1,416,690 par due 8/2008) | 9.25% (Libor + 3.50%/Q) | 8/23/06 | 1,416,690 | 1,416,690 | \$ | 1.00 |
| | | Senior secured loan (\$3,248,438 par due 8/2011) | 9.25% (Libor + 3.50%/Q) | 8/23/06 | 3,248,438 | 3,248,438 | \$ | 1.00 |
| | | Common stock (857,143 shares) | | 8/18/06 | 3,000,000 | 3,000,000 | \$ | 3.50{5} |
| Triad Laboratory Alliance, LLC | Laboratory services | Senior subordinated note (\$15,026,980 par due 12/2012) | 12.00% cash, 1.75% PIK | 12/21/05 | 15,026,980 | 15,026,980 | \$ | 1.00{4} |
| | | Senior secured loan (\$6,877,500 par due 12/2011) | 8.45% (Libor + 3.25%/Q) | 12/21/05 | 6,877,500 | 6,877,500 | \$ | 1.00 |
| | | Senior secured loan (\$2,947,500 par due 12/2011) | 8.45% (Libor + 3.25%/Q) | 12/21/05 | 2,947,500 | 2,947,500 | \$ | 1.00{3} |
| | | | | | 332,144,588 | 332,440,734 | | 29.13% |
| Education | | | | | | | | |
| ELC Acquisition Corporation | Developer, manufacturer and retailer of educational products | Senior secured loan (\$2,707,304 par due 11/2012) | 9.18% (Libor + 3.75%/S) | 11/30/06 | 2,707,304 | 2,707,304 | \$ | 1.00 |
| | | Junior secured loan (\$8,333,333 par due 11/2013) | 12.50% (Libor + 7.00%/M) | 11/30/06 | 8,333,333 | 8,333,333 | \$ | 1.00{3} |
| | | Senior secured loan (\$355,268 par due 11/2012) | 9.18% (Libor + 3.75%/S) | 11/30/06 | 355,268 | 355,268 | \$ | 1.00{3} |
| Equinox EIC Partners, LLC and | Medical school operator | Senior secured revolving loan (\$5,000,000 par due 12/2012) | 11.36% (Libor + 6.00%/Q) | 4/3/07 | 5,000,000 | 5,000,000 | \$ | 1.00 |
| MUA Management Company, Ltd. {1}, {9} | | Senior secured revolving loan (\$988,503 par due 12/2012) | 13.25% (Base Rate + 5.00%/D) | 4/3/07 | 988,503 | 988,503 | \$ | 1.00 |

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|--|-------------------------------|---|------------------------------|----------|-------------|-------------|----|---------|
| | | Senior secured revolving loan (\$2,000,000 par due 12/2012) | 11.33% (Libor + 6.00%/Q) | 4/3/07 | 2,000,000 | 2,000,000 | \$ | 1.00 |
| | | Senior secured loan (\$7,700,000 par due 12/2012) | 11.20% (Libor + 6.00%/Q) | 4/3/07 | 7,700,000 | 7,700,000 | \$ | 1.00 |
| | | Senior secured loan (\$30,500,000 par due 12/2012) | 11.11% (Libor + 6.00%/S) | 9/21/07 | 30,500,000 | 30,500,000 | \$ | 1.00 |
| | | Senior secured loan (\$7,375,000 par due 12/2012) | 11.36% (Libor + 6.00%/Q) | 4/3/07 | 7,375,000 | 7,375,000 | \$ | 1.00{3} |
| | | Senior secured loan (\$100,000 par due 12/2012) | 12.75% (Base Rate + 5.00%/Q) | 4/3/07 | 100,000 | 100,000 | \$ | 1.00{3} |
| | | Common membership units (26.27% interest) | | 9/21/07 | 15,500,000 | 15,500,000 | | {5} |
| Instituto de Banca y Comercio, Inc. {18} | Private school operator | Senior secured revolving loan (\$1,500,000 par due 3/2014) | 8.13% (Libor + 3.00%/M) | 3/15/07 | 1,500,000 | 1,500,000 | \$ | 1.00 |
| | | Senior secured loan (\$24,438,750 par due 3/2014) | 10.36% (Libor + 5.00%/Q) | 3/15/07 | 24,438,750 | 24,438,750 | \$ | 1.00 |
| | | Senior secured loan (\$11,970,000 par due 3/2014) | 10.36% (Libor + 5.00%/Q) | 3/15/07 | 11,970,000 | 11,970,000 | \$ | 1.00{3} |
| Lakeland Finance, LLC | Private school operator | Senior secured note (\$18,000,000 par due 12/2012) | 11.50% | 12/13/05 | 18,000,000 | 18,000,000 | \$ | 1.00 |
| | | Senior secured note (\$15,000,000 par due 12/2012) | 11.50% | 12/13/05 | 15,000,000 | 15,000,000 | \$ | 1.00{2} |
| | | | | | 151,468,158 | 151,468,158 | | 13.27% |
| Printing, Publishing and Media | | | | | | | | |
| Canon Communications LLC | Print publications services | Junior secured loan (\$7,525,000 par due 11/2011) | 11.88% (Libor + 6.75%/M) | 5/25/05 | 7,525,000 | 7,525,000 | \$ | 1.00 |
| | | Junior secured loan (\$4,250,000 par due 11/2011) | 11.88% (Libor + 6.75%/M) | 5/25/05 | 4,250,000 | 4,250,000 | \$ | 1.00{2} |
| | | Junior secured loan (\$12,000,000 par due 11/2011) | 11.88% (Libor + 6.75%/M) | 5/25/05 | 12,000,000 | 12,000,000 | \$ | 1.00{3} |
| Courtside Acquisition Corp. | Community newspaper publisher | Senior subordinated loan (\$31,150,000 par due 6/2014) | 15.00% PIK | 6/29/07 | 31,150,000 | 31,150,000 | \$ | 1.00{4} |
| Daily Candy, Inc. {11} | Internet publication provider | Senior secured loan (\$10,355,330 par due 5/2009) | 10.38% (Libor + 5.00%/S) | 5/25/06 | 11,067,442 | 10,355,330 | \$ | 1.00 |
| | | Senior secured loan (\$11,695,431 par due 5/2009) | 10.38% (Libor + 5.00%/S) | 5/25/06 | 12,499,698 | 11,695,431 | \$ | 1.00{3} |
| | | Senior secured loan (\$152,267 par due 5/2009) | 10.38% (Libor + 5.00%/S) | 5/25/06 | 162,738 | 152,267 | \$ | 1.00 |
| | | | | 5/25/06 | 183,798 | 171,972 | \$ | 1.00{3} |

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| | | | | | | | | |
|---|---------------------------------|--|------------------------------|----------|-------------|-------------|----|-------------|
| | | Senior secured loan (\$171,972 par due 5/2009) | 10.38% (Libor + 5.00%/S) | | | | | |
| | | Common stock (1,250,000 shares) | | 5/25/06 | 2,375,000 | 4,085,000 | \$ | 3.27{5} |
| | | Warrants to purchase 1,381,578 shares | | 5/25/06 | 2,624,998 | 4,514,997 | \$ | 3.27{5} |
| National Print Group, Inc. | Printing management services | Senior secured revolving loan (\$827,524 par due 3/2012) | 10.75% (Base Rate + 2.50%/D) | 3/2/06 | 827,524 | 827,524 | \$ | 1.00 |
| | | Senior secured revolving loan (\$913,043 par due 3/2012) | 9.22% (Libor + 3.50%/M) | 3/2/06 | 913,043 | 913,043 | \$ | 1.00 |
| | | Senior secured loan (\$4,911,854 par due 3/2012) | 8.70% (Libor + 3.50%/Q) | 3/2/06 | 4,911,854 | 4,911,854 | \$ | 1.00{3} |
| | | Senior secured loan (\$239,674 par due 3/2012) | 10.25% (Base Rate + 2.50%/D) | 3/2/06 | 239,674 | 239,674 | \$ | 1.00{3} |
| | | Senior secured loan (\$5,110,685 par due 3/2012) | 9.04% (Libor + 3.50%/Q) | 3/2/06 | 5,110,685 | 5,110,685 | \$ | 1.00{3} |
| | | Senior secured loan (\$2,244,052 par due 8/2012) | 12.34% (Libor + 7.00%/B) | 3/2/06 | 2,244,052 | 2,244,052 | \$ | 1.00 |
| | | Senior secured loan (\$406,132 par due 8/2012) | 12.34% (Libor + 7.00%/B) | 3/2/06 | 406,132 | 406,132 | \$ | 1.00{3} |
| | | Senior secured loan (\$1,932,806 par due 8/2012) | 12.36% (Libor + 7.00%/Q) | 3/2/06 | 1,932,806 | 1,932,806 | \$ | 1.00 |
| | | Senior secured loan (\$349,802 par due 8/2012) | 12.36% (Libor + 7.00%/Q) | 3/2/06 | 349,802 | 349,802 | \$ | 1.00{3} |
| | | Preferred stock (9,344 shares) | | 3/2/06 | 2,000,000 | 2,000,000 | \$ | 214.04{5} |
| The Teaching Company, LLC and | Education publications provider | Senior secured loan (\$40,000,000 par due 9/2012) | 10.50% | 9/29/06 | 40,000,000 | 40,000,000 | \$ | 1.00 |
| The Teaching Company Holdings, Inc. {21} | | Preferred stock (29,969 shares) | | 9/29/06 | 2,996,921 | 2,996,921 | \$ | 100.00{5} |
| | | Common stock (15,393 shares) | | 9/29/06 | 3,079 | 3,079 | \$ | 0.20{5} |
| | | | | | 145,774,246 | 147,835,569 | | 12.95% |
| Financial | | | | | | | | |
| Abingdon Investments Limited {13} {18} {19} | Investment company | Ordinary shares (948,500 shares) | | 12/15/06 | 9,032,978 | 8,195,040 | \$ | 8.64{5} |
| Firstlight Financial Corporation {14} {19} | Investment company | Senior subordinated loan (\$63,313,824 par due 12/2016) | 10.00% PIK | 12/31/06 | 63,313,824 | 63,313,824 | \$ | 1.00{4} |
| | | Common stock (10,000 shares) | | 12/31/06 | 10,000,000 | 10,000,000 | \$ | 1,000.00{5} |
| | | Common stock (30,000 shares) | | 12/31/06 | 30,000,000 | 30,000,000 | \$ | 1,000.00{5} |
| Imperial Capital Group, LLC {19} | Investment banking services | Common units (7,710 shares) | | 5/10/07 | 14,997,159 | 14,997,159 | \$ | 1,945.16{5} |
| | | | | 5/10/07 | 2,526 | 2,526 | \$ | 1.00{5} |

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| | | | | | | | | |
|--|----------------------------|--|--------------------------|---------|-------------|-------------|----|-------------|
| | | Common units (2,526 shares) | | | | | | |
| | | Common units (315 shares) | | 5/10/07 | 315 | 315 | \$ | 1.00{5} |
| Partnership Capital Growth Fund I, L.P. {19} | Investment partnership | Limited partnership interest (25% interest) | | 6/16/06 | 1,317,082 | 1,317,082 | | {5} |
| | | | | | 128,663,884 | 127,825,946 | | 11.20% |
| Retail | | | | | | | | |
| Apogee Retail, LLC | For-profit thrift retailer | Senior secured loan (\$19,397,033 par due 3/2012) | 10.39% (Libor + 5.25%/S) | 3/27/07 | 19,397,033 | 19,397,033 | \$ | 1.00 |
| | | Senior secured loan (\$19,900,000 par due 3/2012) | 10.39% (Libor + 5.25%/S) | 3/27/07 | 19,900,000 | 19,900,000 | \$ | 1.00{2} |
| | | Senior secured loan (\$11,940,000 par due 3/2012) | 10.39% (Libor + 5.25%/S) | 3/27/07 | 11,940,000 | 11,940,000 | \$ | 1.00{3} |
| Savers, Inc. and SAI Acquisition Corporation | For-profit thrift retailer | Senior subordinated note (\$28,416,285 par due 8/2014) | 10.00% cash, 2.00% PIK | 8/8/06 | 28,416,285 | 28,416,285 | \$ | 1.00{2} {4} |
| | | Common stock (1,170,182 shares) | | 8/8/06 | 4,500,000 | 4,500,000 | \$ | 3.85{5} |

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|--|---|--|-----------------------------|----------|-------------|-------------|--------|--------------|
| Things Remembered, Inc. and TRM Holdings Corporation | Personalized gifts retailer | Senior secured loan (\$4,752,000 par due 9/2012) | 10.25% (Libor + 4.75%/Q) | 9/28/06 | 4,752,000 | 4,752,000 | \$ | 1.00{3} |
| | | Senior secured loan (\$14,000,000 par due 9/2012) | 11.50% (Libor + 6.00%/M) | 9/28/06 | 14,000,000 | 14,000,000 | \$ | 1.00{2} |
| | | Senior secured loan (\$14,000,000 par due 9/2012) | 11.50% (Libor + 6.00%/M) | 9/28/06 | 14,000,000 | 14,000,000 | \$ | 1.00 |
| | | Senior secured loan (\$7,200,000 par due 9/2012) | 11.50% (Libor + 6.00%/M) | 9/28/06 | 7,200,000 | 7,200,000 | \$ | 1.00{3} |
| | | Preferred stock (80 shares) | | 9/28/06 | 1,800,000 | 1,800,000 | \$ | 22,500.00{5} |
| | | Common stock (800 shares) | | 9/28/06 | 200,000 | 200,000 | \$ | 250.00{5} |
| | | | | | 126,105,318 | 126,105,318 | | 11.05% |
| Services - Other | | | | | | | | |
| American Residential Services, LLC | Plumbing, heating and air-conditioning services | Junior secured loan (\$10,050,555 par due 4/2015) | 10.00% Cash, 2.00% PIK | 4/17/07 | 10,050,555 | 10,050,555 | \$ | 1.00{4} |
| Diversified Collection Services, Inc. | Collections services | Senior secured loan (\$5,011,838 par due 2/2011) | 10.88% (Libor + 5.00%/M) | 2/2/05 | 5,011,838 | 4,360,299 | \$ | 0.87{3} |
| | | Senior secured loan (\$1,742,026 par due 8/2011) | 14.07% (Libor + 8.50%/M) | 2/2/05 | 1,742,026 | 1,358,781 | \$ | 0.78{2} |
| | | Senior secured loan (\$6,757,974 par due 8/2011) | 14.07% (Libor + 8.50%/M) | 2/2/05 | 6,757,974 | 5,271,219 | \$ | 0.78{3} |
| | | Preferred stock (14,927 shares) | | 5/18/06 | 169,123 | | \$ | {5} |
| | | Common stock (114,004 shares) | | 2/2/05 | 295,270 | | \$ | {5} |
| GCA Services Group, Inc. | Custodial services | Senior secured loan (\$8,000,000 par due 12/2011) | 12.00% | 12/15/06 | 8,000,000 | 8,000,000 | \$ | 1.00 |
| | | Senior secured loan (\$30,000,000 par due 12/2011) | 12.00% | 12/15/06 | 30,000,000 | 30,000,000 | \$ | 1.00{2} |
| | | Senior secured loan (\$12,000,000 par due 12/2011) | 12.00% | 12/15/06 | 12,000,000 | 12,000,000 | \$ | 1.00{3} |
| Growing Family, Inc. and GFH Holdings, LLC | Photography services | Senior secured revolving loan (\$762,500 par due 8/2011) | 9.25% (Base Rate + 1.50%/D) | 3/16/07 | 762,500 | 762,500 | \$ | 1.00 |
| | | Senior secured revolving loan (\$500,000 par due 8/2011) | 8.36% (Libor + 3.00%/B) | 3/16/07 | 500,000 | 500,000 | \$ | 1.00 |
| | | Senior secured loan (\$366,950 par due 8/2011) | 9.01% (Libor + 3.50%/Q) | 3/16/07 | 366,950 | 366,950 | \$ | 1.00 |
| | | Senior secured loan (\$9,645,550 par due 8/2011) | 9.01% (Libor + 3.50%/Q) | 3/16/07 | 9,645,550 | 9,645,550 | \$ | 1.00{3} |
| | | | | | 3/16/07 | 70,550 | 70,550 | \$ |

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|--|--|--|------------------------------|----------|-------------|-------------|----|------------|
| | | Senior secured loan (\$70,550 par due 8/2011) | 9.15% (Libor + 3.50%/Q) | | | | | |
| | | Senior secured loan (\$1,854,450 par due 8/2011) | 9.15% (Libor + 3.50%/Q) | 3/16/07 | 1,854,450 | 1,854,450 | \$ | 1.00{3} |
| | | Senior secured loan (\$3,575,000 par due 8/2011) | 11.65% (Libor + 6.00%/Q) | 3/16/07 | 3,575,000 | 3,575,000 | \$ | 1.00 |
| | | Senior secured loan (\$35,814 par due 8/2011) | 11.65% (Libor + 6.00%/Q) | 3/16/07 | 35,814 | 35,814 | \$ | 1.00 |
| | | Common stock (552,430 shares) | | 3/16/07 | 872,286 | 599,994 | \$ | 1.09{5} |
| NPA Acquisition, LLC | Powersport vehicle auction operator | Senior secured loan (\$4,066,667 par due 8/2012) | 8.61% (Libor + 3.25%/Q) | 8/28/06 | 4,066,667 | 4,066,667 | \$ | 1.00 |
| | | Senior secured loan (\$133,333 par due 8/2012) | 9.07% (Libor + 3.25%/M) | 8/28/06 | 133,333 | 133,333 | \$ | 1.00 |
| | | Senior secured loan (\$145,057 par due 8/2012) | 9.75% (Base Rate + 2.00%/D) | 8/28/06 | 145,057 | 145,057 | \$ | 1.00 |
| | | Junior secured loan (\$2,000,000 par due 2/2013) | 11.95% (Libor + 6.75%/Q) | 8/23/06 | 2,000,000 | 2,000,000 | \$ | 1.00 |
| | | Junior secured loan (\$12,000,000 par due 2/2013) | 11.95% (Libor + 6.75%/Q) | 8/23/06 | 12,000,000 | 12,000,000 | \$ | 1.00{3} |
| | | Common units (1,709 shares) | | 8/23/06 | 1,000,000 | 1,000,000 | \$ | 585.14{5} |
| | | | | | 111,054,943 | 107,796,719 | | 9.44% |
| Consumer Products - Non-Durable | | | | | | | | |
| Badanco Enterprises, Inc. | Luggage manufacturer | Senior secured loan (\$5,937,500 par due 1/2012) | 9.86% (Libor + 4.50%/Q) | 1/24/07 | 5,937,500 | 5,937,500 | \$ | 1.00{3} |
| | | Senior secured loan (\$5,000,000 par due 1/2012) | 9.86% (Libor + 4.50%/Q) | 1/24/07 | 5,000,000 | 5,000,000 | \$ | 1.00{3} |
| Innovative Brands, LLC | Consumer products and personal care manufacturer | Senior Secured Loan (\$12,902,500 par due 9/2011) | 11.13% | 10/12/06 | 12,902,500 | 12,902,500 | \$ | 1.00 |
| | | Senior Secured Loan (\$11,910,000 par due 9/2011) | 11.13% | 10/12/06 | 11,910,000 | 11,910,000 | \$ | 1.00{3} |
| Making Memories Wholesale, Inc. {7} | Scrapbooking branded products manufacturer | Senior secured loan (\$7,283,333 par due 3/2011) | 10.25% (Base Rate + 2.50%/D) | 5/5/05 | 7,283,333 | 7,283,333 | \$ | 1.00{3} |
| | | Senior subordinated loan (\$10,465,650 par due 5/2012) | 12.00% cash, 4.00% PIK | 5/5/05 | 10,465,650 | 10,465,650 | \$ | 1.00{2}{4} |
| | | Preferred stock (3,759 shares) | | 5/5/05 | 3,758,800 | 1,320,000 | \$ | 351.16{5} |
| Shoes for Crews, LLC | Safety footwear and slip-related mats | Senior secured loan (\$1,113,688 par due 7/2010) | 8.63% (Libor + 3.25%/S) | 10/8/04 | 1,120,241 | 1,120,241 | \$ | 1.01{3} |
| | | Senior secured revolving loan (\$3,333,333 par due 7/2010) | 9.75% (Base Rate + 2.00%/D) | 6/16/06 | 3,333,333 | 3,333,333 | \$ | 1.00 |

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|------------------------------------|---|---|--------------------------|---------|-------------|------------|--------|----------------|
| The Thymes, LLC {17} | Cosmetic products manufacturer | Preferred units (6,850 units) | 8.00% PIK | 6/21/07 | 7,047,585 | 7,047,585 | \$ | 1,028.84{4} |
| | | Common units (6,850 units) | | 6/21/07 | | | \$ | {5} |
| Wear Me Apparel, LLC | Clothing manufacturer | Senior subordinated notes (\$22,557,500 par due 4/2013) | 12.60% cash, 1.00% PIK | 4/2/07 | 22,557,500 | 22,557,500 | \$ | 1.00{2} {4} |
| | | Common stock (10,000 shares) | | 4/2/07 | 10,000,000 | 7,000,000 | 700.00 | {5} |
| | | | | | 101,316,442 | 95,877,642 | | 8.40% |
| Manufacturing | | | | | | | | |
| Arrow Group Industries, Inc. | Residential and outdoor shed manufacturer | Senior secured loan (\$5,616,000 par due 4/2010) | 10.35% (Libor + 5.00%/M) | 3/28/05 | 5,650,203 | 5,616,000 | \$ | 1.00{3} |
| Emerald Performance Materials, LLC | Polymers and performance materials manufacturer | Senior secured loan (\$10,164,115 par due 5/2011) | 10.07% (Libor + 4.25%/M) | 5/16/06 | 10,164,115 | 10,164,115 | \$ | 1.00{3} |
| | | Senior secured loan (\$3,728,092 par due 5/2011) | 11.82% (Libor + 6.00%/M) | 5/16/06 | 3,728,091 | 3,728,092 | \$ | 1.00 |
| | | Senior secured loan (\$1,522,742 par due 5/2011) | 11.82% (Libor + 6.00%/M) | 5/16/06 | 1,522,742 | 1,522,742 | \$ | 1.00{3} |
| | | Senior secured loan (\$4,344,014 par due 5/2011) | 10.00% cash, 3.00% PIK | 5/16/06 | 4,354,874 | 4,354,874 | \$ | 1.00{4} |

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| | | | | | | | | |
|---|---|---|------------------------------|----------|------------|------------|----------|------------|
| Professional Paint, Inc. | Paint manufacturer | Junior secured loan (\$1,000,000 par due 5/2013) | 11.88% (Libor + 6.25%/B) | 5/25/06 | 1,000,000 | 1,000,000 | \$ | 1.00{3} |
| Qualitor, Inc. | Automotive aftermarket components supplier | Senior secured loan (\$1,778,980 par due 12/2011) | 9.45% (Libor + 4.25%/Q) | 12/29/04 | 1,778,980 | 1,778,980 | \$ | 1.00{3} |
| | | Junior secured loan (\$5,000,000 par due 6/2012) | 12.45% (Libor + 7.25%/Q) | 12/29/04 | 5,000,000 | 5,000,000 | \$ | 1.00{3} |
| Reflexite Corporation {10} | Developer and manufacturer of high-visibility reflective products | Common Stock (1,821,860 shares) | | 3/28/06 | 27,435,318 | 34,615,340 | \$ | 19.00{5} |
| Saw Mill PCG Partners LLC | Precision components manufacturer | Common units (1,000 shares) | | 2/2/07 | 1,000,000 | 1,000,000 | 1,000.00 | {5} |
| Universal Trailer Corporation {6} | Livestock and specialty trailer manufacturer | Common stock (50,000 shares) | | 10/8/04 | 6,424,645 | 1,523,375 | \$ | 30.47{5} |
| | | Warrants to purchase 22,208 shares | | 10/8/04 | 1,505,776 | 676,622 | \$ | 30.47{5} |
| Varel Holdings, Inc. | Drill bit manufacturer | Common stock (30,451 shares) | | 5/18/05 | 3,045 | 4,000,001 | \$ | 131.36{5} |
| | | | | | 69,567,789 | 74,980,141 | | 6.57% |
| Restaurants | | | | | | | | |
| ADF Capital, Inc. & ADF Restaurant Group, LLC | Restaurant owner and operator | Senior secured revolving loan (\$2,000,000 par due 11/2013) | 8.38% (Libor + 3.00%/S) | 11/27/06 | 2,000,000 | 2,000,000 | \$ | 1.00 |
| | | Senior secured revolving loan (\$1,236,726 par due 11/2013) | 9.75% (Base Rate + 2.00%/D) | 11/27/06 | 1,236,726 | 1,236,726 | \$ | 1.00 |
| | | Senior secured loan (\$49,511 par due 11/2012) | 14.25% (Base Rate + 6.50%/D) | 11/27/06 | 49,511 | 49,511 | \$ | 1.00 |
| | | Senior secured loan (\$2,500 par due 11/2012) | 14.25% (Base Rate + 6.50%/D) | 11/27/06 | 2,500 | 2,500 | \$ | 1.00{2} |
| | | Senior secured loan (\$35,489 par due 11/2012) | 14.25% (Base Rate + 6.50%/D) | 11/27/06 | 35,489 | 35,489 | \$ | 1.00{3} |
| | | Senior secured loan (\$19,606,317 par due 11/2012) | 12.88% (Libor + 7.50%/S) | 11/27/06 | 19,606,317 | 19,606,317 | \$ | 1.00 |
| | | Senior secured loan (\$990,000 par due 11/2012) | 12.88% (Libor + 7.50%/S) | 11/27/06 | 990,000 | 990,000 | \$ | 1.00{2} |
| | | Senior secured loan (\$14,053,683 par due 11/2012) | 12.88% (Libor + 7.50%/S) | 11/27/06 | 14,053,683 | 14,053,683 | \$ | 1.00{3} |
| | | Promissory note (\$10,463,601 par due 11/2016) | 10.00% PIK | 6/1/06 | 10,451,801 | 10,463,601 | \$ | 1.00{4}{5} |
| | | Warrants to purchase 0.61 shares | | 6/1/06 | | | \$ | {5} |
| | | | | 8/16/06 | 24,142,333 | 24,142,333 | \$ | 1.00{4} |

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| | | | | | | | | |
|--|---|---|--------------------------|----------|------------|------------|----|-------------|
| Encanto Restaurants, Inc. {18} | Restaurant owner and operator | Junior secured loan (\$24,000,000 par due 8/2013) | 7.50% Cash, 3.50% PIK | | | | | |
| | | Junior secured loan (\$1,000,000 par due 8/2013) | 7.50% Cash, 3.50% PIK | 8/16/06 | 1,005,931 | 1,005,931 | \$ | 1.00{3}{4} |
| | | | | | 73,574,291 | 73,586,091 | | 6.45% |
| Environmental Services | | | | | | | | |
| AWTP, LLC | Water treatment services | Junior secured loan (\$1,604,000 par due 12/2012) | 13.43% (Libor + 8.50%/A) | 12/23/05 | 1,604,044 | 1,604,044 | \$ | 1.00 |
| | | Junior secured loan (\$12,030,333 par due 12/2012) | 13.43% (Libor + 8.50%/A) | 12/23/05 | 12,030,333 | 12,030,333 | \$ | 1.00{3} |
| Mactec, Inc. | Engineering and environmental services | Common stock (16 shares) | | 11/3/04 | | 334 | \$ | 20.86{5} |
| | | Common stock (5,556 shares) | | 11/3/04 | | 115,444 | \$ | 20.78{5} |
| Waste Pro USA, Inc. | Waste management services | Senior subordinated loan (\$25,000,000 par due 11/2013) | 11.50% | 11/9/06 | 25,000,000 | 25,000,000 | \$ | 1.00{2} |
| | | Preferred stock (15,000 shares) | 10.00% PIK | 11/9/06 | 15,000,000 | 15,000,000 | \$ | 1,000.00{4} |
| | | Warrants to purchase 882,671 shares | | 11/9/06 | | 3,999,999 | \$ | 4.53{5} |
| Wastequip, Inc. | Waste management equipment manufacturer | Senior subordinated loan (\$12,602,083 par due 2/2015) | 12.00% | 2/5/07 | 12,602,083 | 12,602,084 | \$ | 1.00 |
| | | Common stock (13,889 shares) | | 2/2/07 | 1,388,889 | 1,388,889 | \$ | 100.00{5} |
| | | | | | 67,625,349 | 71,741,127 | | 6.29% |
| Containers-Packaging | | | | | | | | |
| Captive Plastics, Inc. | Plastics container manufacturer | Junior secured loan (\$15,500,000 par due 2/2012) | 12.61% (Libor + 7.25%/Q) | 12/19/05 | 15,500,000 | 15,500,000 | \$ | 1.00 |
| | | Junior secured loan (\$12,000,000 par due 2/2012) | 12.61% (Libor + 7.25%/Q) | 12/19/05 | 12,000,000 | 12,000,000 | \$ | 1.00{3} |
| Industrial Container Services, LLC {8} | Industrial container manufacturer, reconditioner and servicer | Senior secured loan (\$9,875,000 par due 9/2011) | 9.15% (Libor + 4.00%/M) | 9/30/05 | 9,875,000 | 9,875,000 | \$ | 1.00 |
| | | Senior secured loan (\$12,036,488 par due 9/2011) | 9.15% (Libor + 4.00%/M) | 6/21/06 | 12,036,488 | 12,036,488 | \$ | 1.00 |
| | | Senior secured loan (\$992,405 par due 9/2011) | 9.15% (Libor + 4.00%/M) | 6/21/06 | 992,405 | 992,405 | \$ | 1.00{2} |
| | | Senior secured loan (\$15,199,368 par due 9/2011) | 9.15% (Libor + 4.00%/M) | 6/21/06 | 15,199,368 | 15,199,368 | \$ | 1.00{3} |
| | | Common stock (1,800,000 shares) | | 9/29/05 | 1,800,000 | 3,499,992 | \$ | 1.94{5} |
| | | | | | 67,403,261 | 69,103,253 | | 6.05% |
| Business Services | | | | | | | | |
| Investor Group Services, LLC {16} | Financial services | Senior secured loan (\$1,000,000 par due 6/2011) | 12.00% | 6/22/06 | 1,000,000 | 1,000,000 | \$ | 1.00{3} |

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Limited liability company membership interest (10.00% interest) 6/22/06 {5}

| | | | | | | | | |
|---------------------|---------------------------|--|-------------------------|---------|-----------|-----------|----|---------|
| Miller Heiman, Inc. | Sales consulting services | Senior secured loan (\$2,062,523 par due 6/2010) | 8.38% (Libor + 3.25%/M) | 6/20/05 | 2,062,523 | 2,062,523 | \$ | 1.00{3} |
| | | Senior secured loan (\$3,987,000 par due 6/2012) | 8.95% (Libor + 3.75%/Q) | 6/20/05 | 3,987,000 | 3,987,000 | \$ | 1.00{3} |

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| | | | | | | | | |
|--|--|--|------------------------------|----------|------------|------------|----|-------------|
| MR Processing Holding Corp. | Bankruptcy and foreclosure processing services | Senior subordinated note (\$29,374,140 par due 2/2014) | 11.50% Cash, 2.00% PIK | 2/8/07 | 29,374,140 | 29,374,140 | \$ | 1.00{2} {4} |
| | | Preferred stock (30,000 shares) | | 4/11/06 | 3,000,000 | 4,500,000 | \$ | 150.00{5} |
| Primis Marketing Group, Inc. and Primis Holdings, LLC {12} | Database marketing services | Senior subordinated note (\$10,222,345 par due 2/2013) | 11.00% Cash, 2.50% PIK | 8/24/06 | 10,222,345 | 8,586,770 | \$ | 0.84{2} {4} |
| | | Preferred units (4,000 shares) | | 8/24/06 | 3,600,000 | | \$ | {5} |
| | | Common units (4,000,000 shares) | | 8/24/06 | 400,000 | | \$ | {5} |
| R2 Acquisition Corp. | Advertising agency | Senior secured loan (\$1,995,000 par due 5/2013) | 10.01% (Libor +4.50%/Q) | 5/29/07 | 1,995,000 | 1,995,000 | \$ | 1.00 |
| | | Senior secured loan (\$5,000 par due 5/2013) | 11.50% (Base Rate + 3.25%/D) | 5/29/07 | 5,000 | 5,000 | \$ | 1.00 |
| | | Common Stock (250,000 shares) | | 5/29/07 | 250,000 | 250,000 | \$ | 1.00{5} |
| Summit Business Media, LLC | Business media consulting services | Junior secured loan (\$10,000,000 par due 11/2013) | 12.13% (Libor + 7.00%/M) | 8/3/07 | 10,000,000 | 10,000,000 | \$ | 1.00{3} |
| | | | | | 65,896,008 | 61,760,433 | | 5.41% |
| Beverage, Food and Tobacco | | | | | | | | |
| Best Brands Corporation | Baked goods manufacturer | Junior secured loan (\$26,170,754 par due 6/2013) | 17.57% (Libor + 12.00%/M) | 12/14/06 | 26,170,754 | 26,170,749 | \$ | 1.00{2} |
| | | Junior secured loan (\$11,744,368 par due 6/2013) | 17.57% (Libor + 12.00%/M) | 12/14/06 | 11,744,368 | 11,744,368 | \$ | 1.00{3} |
| Charter Baking Company, Inc. | Baked goods manufacturer | Preferred stock (6,258 shares) | | 9/1/06 | 2,500,000 | 2,500,000 | \$ | 399.49{5} |
| Farley's & Sathers Candy Company, Inc. | Branded candy manufacturer | Junior secured loan (\$10,000,000 par due 3/2011) | 11.38% (Libor + 6.00%/S) | 3/23/06 | 10,000,000 | 10,000,000 | \$ | 1.00{3} |
| | | | | | 50,415,122 | 50,415,117 | | 4.42% |
| Computers and Electronics | | | | | | | | |
| RedPrairie Corporation | Software manufacturer | Junior secured loan (\$6,500,000 par due 1/2013) | 11.86% (Libor + 6.50%/Q) | 7/13/06 | 6,500,000 | 6,500,000 | \$ | 1.00 |
| | | Junior secured loan (\$12,000,000 par due 1/2013) | 11.86% (Libor + 6.50%/Q) | 7/13/06 | 12,000,000 | 12,000,000 | \$ | 1.00{3} |
| X-rite, Incorporated | Artwork software manufacturer | Junior secured loan (\$10,000,000 par due 7/2013) | 10.72% (Libor + 5.00%/M) | 7/6/06 | 10,000,000 | 10,100,000 | \$ | 1.01{3} |
| | | | | | 28,500,000 | 28,600,000 | | 2.51% |
| Grocery | | | | | | | | |
| | | | | 7/3/07 | 7,000,000 | 7,000,000 | \$ | 1.00 |

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|----------------------------------|--------------------------------|---|--------------------------|--------|------------|------------|----|---------|
| Planet Organic Health Corp. {18} | Organic grocery store operator | Senior secured loan (\$7,000,000 par due 7/2014) | 10.86% (Libor + 5.50%/Q) | | | | | |
| | | Senior secured loan (\$10,500,000 par due 7/2014) | 10.86% (Libor + 5.50%/Q) | 7/3/07 | 10,500,000 | 10,500,000 | \$ | 1.00{3} |
| | | Senior subordinated note (\$9,044,000 par due 7/2012) | 11.00% Cash, 2.00% PIK | 7/3/07 | 9,044,000 | 9,044,000 | \$ | 1.00{4} |