# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## **Current Report**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 4, 2010

# **SOLAR CAPITAL LTD.**

(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation) 814-00754 (Commission File Number) 26-1381340 (I.R.S. Employer Identification No.)

500 Park Avenue, 5th Floor New York, NY 10022 (Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (212) 993-1670

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

### Item 2.02 Results of Operations and Financial Condition

On May 4, 2010, Solar Capital Ltd. issued a press release announcing its financial results for the three months ended March 31, 2010. The text of the press release is included as Exhibit 99.1 to this Form 8-K.

The information disclosed under this Item 2.02, including Exhibit 99.1 hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

#### Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

#### Exhibit

No. Do	escription

99.1 Press release dated May 4, 2010

## **SIGNATURES**

Pursuant to the requ	uirements of the Securities Excha	inge Act of 1934, the Regi	strant has duly caused th	is report to be signed or	n its behalf by the
undersigned hereunto duly	y authorized.				

Date: May 4, 2010	SOLAR CAPITAI	L LTD.
	By:	/S/ NICHOLAS RADESCA
		Nicholas Radesca
		Chief Financial Officer

#### Solar Capital Announces March 31, 2010 Financial Results with NAV per Share Increase to \$22.18; Declares Quarterly Dividend of \$0.60 per Share

NEW YORK, NY May 4— Solar Capital Ltd (NASDAQ: SLRC), today reported results for the quarter ended March 31, 2010, including net asset value (NAV) per share of \$22.18, a 7.5% increase over pro forma NAV per share of \$20.64 at December 31, 2009, and earnings of \$1.90 per share. In addition, Solar Capital announced that its Board of Directors has declared a second quarter dividend of \$0.60 per share, payable on July 2, 2010 to stockholders of record on June 17, 2010. We expect the dividend to be paid from taxable earnings with specific tax characteristics reported to stockholders after the end of the calendar year.

#### Selected Highlights

(\$ in millions, except per share amounts)

	March 31, 2010	Dec	ember 31, 2009
Investment portfolio	\$ 839.0	\$	863.1
Total assets	\$ 928.7	\$	885.4
Net assets	\$ 730.4	\$	697.9
NAV per share	\$ 22.18	\$	21.24
Pro Forma <sup>1</sup> NAV per Share		\$	20.64
Investment Portfolio Composition:			
Bank debt/senior secured loans	\$ 146.0	\$	163.5
Subordinated debt/corporate notes	\$ 642.0	\$	642.0
Equity investments	\$ 51.0	\$	57.6
Weighted Average Portfolio Statistics:			
Yield on fair value	13.9%		14.8%
Yield on cost	13.3%		13.7%

#### Earnings Highlights

	Three mor	nths ended
	March 31, 2010	March 31, 2009
Investment income	\$ 35.3	\$ 28.2
Net investment income	\$ 21.1	\$ 17.1
Net realized and unrealized gain/(loss)	40.9	(42.7)
Net income (loss)	<u>\$ 62.0</u>	\$ (25.6)
Net income (loss) per share	\$ 1.90	\$ (0.78)

Pro Forma NAV per share includes adjustments to reflect the Solar Capital Merger, the IPO, and the Private Placement. For details, see reconciliation of the Reported GAAP NAV per share to Pro Forma NAV per share in the Financial Statements and Tables section of this document.

On February 9, 2010, Solar Capital Ltd. priced its initial public offering at \$18.50 per share. A total of 5.68 million shares were sold through the IPO and over-allotment and an additional 0.60 million shares were sold through a concurrent private placement to management. A total of approximately \$109 million was raised through the IPO and over-allotment sale (net of underwriting fees), and the private placement.

"The first quarter of 2010 was a highly successful one for Solar Capital," said Michael Gross, CEO and Chairman. "Our NAV growth resulted from strong earnings and substantial realizations, all at values above their year-end marks. With the completion of our IPO, the expansion of our credit facility and the proceeds from realizations, we have significant dry powder to fund our growing pipeline of attractive investment opportunities. We are in active dialogue with lenders to upsize our facility and anticipate further redemptions above current fair value, which will provide additional capital to take advantage of this favorable investing environment."

#### **Portfolio Investments**

The total value of our investments was approximately \$839.0 million at March 31, 2010 and \$863.1 million at December 31, 2009. During the quarter ended March 31, 2010, we originated approximately \$44.6 million of investments in one new and one existing portfolio company. We also received more than \$115 million from repayments and sales of securities, all in excess of our December 31, 2009 values.

At March 31, 2010, we had investments in securities of 33 portfolio companies with approximately 17.3% senior secured, 76.5% subordinated debt and 6.2% equity. This compares to investments in 36 portfolio companies with approximately 18.8% senior secured, 74.4% subordinated debt and 6.8% equity at December 31, 2009.

As of March 31, 2010, the weighted average yield on income producing investments in our portfolio was approximately 13.9%, compared to 14.8% at December 31, 2009. The decrease in yield this quarter was primarily due to the increase in fair value of assets since December 2009.

As of March 31, 2010, there were no investments on non-accrual status. Of the non-accrual assets, which had zero market value at December 31, 2009, assets of two portfolio companies were sold prior to the IPO and the third was exchanged for equity in a restructuring. In addition we had 3 assets, with a total market value of \$14.2 million, that were performing but cash interest payments have been applied as principal payments ("cost-recovery assets"), rather than being included in interest income because management believes, at this time, it is unlikely there will be full repayment of principal.

#### **Results of Operations**

Investment income for the quarter ended March 31, 2010 was \$35.3 million, which was \$7.1 million higher than for the comparable period in 2009. This increase was primarily due to income related to early repayment of debt assets partially offset by the non-recognition of interest income from the cost recovery assets and lower average LIBOR rates and invested balances during the first three months of 2010.

Operating expenses were \$14.1 million and \$10.6 million for the first quarter of 2010 and 2009, respectively. The increase in expense in 2010 was primarily due to higher interest expense from newly issued 8.75% senior unsecured notes and a higher performance-based incentive fee on higher investment income.

There was a net realized and unrealized gain of \$40.9 million for the first quarter of 2010 compared to a net loss of \$42.7 million for the same period in 2009. The net gain in the fair value of our portfolio assets was primarily due to continued credit improvement in the portfolio, the tightening of credit spreads in the non-investment grade credit markets and anticipated near-term realizations. During the first quarter of 2010, we also had realizations in excess of prior valuations. The net loss during the first quarter of 2009 was primarily due to overall weakening in the economy during the period resulting in lower portfolio asset values.

At March 31, 2010 and December 31, 2009, we had cash and cash equivalents of approximately \$60.4 million and \$5.7 million, respectively. Cash provided by operating activities for the quarters ended March 31, 2010 and 2009 was approximately \$107.7 million and \$19.6 million, respectively. We expect that all current liquidity needs will be met with cash flows from operations and other activities.

At March 31, 2010, we had no borrowings under our \$270 million revolving credit facility and \$125.0 million of senior unsecured notes outstanding. We had \$88.1 million drawn on our credit facility on December 31, 2009.

#### Conference Call and Webcast

We will host a conference call and webcast on Wednesday, May 5, 2010 at 10:00 am (ET) to discuss our financial results for the quarter ended March 31, 2010. All interested parties may participate in the conference call by dialing (866) 804-6925 approximately 5-10 minutes prior to the call, international callers should dial (857) 350-1671. Participants should reference Solar Capital Ltd and the participant passcode of 80571308 when prompted. This conference call will be broadcast live over the Internet and can be accessed by all interested parties through Solar Capital's website, http://www.solarcapitd.com/. To listen to the live webcast, please go to the Company's website at least 15 minutes prior to the start of the event to register and download any necessary audio software. For those who are not able to listen to the live broadcast, a replay will be available shortly after the call on the Solar Capital website.

## **Financial Statements and Tables**

# SOLAR CAPITAL LTD CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES (in thousands, except shares)

Companies P8 for 25% one 25% one de (cost: S28,939 and 885,102, respectively)         20,583         39,323           Companies less than 5% owned (cost: S28,534 and 8968,886, respectively)         809,373         760,717           Total investments (cost: S975,293 and \$1,663,988, respectively)         838,956         863,140           Cash and eash equivalents         60,363         5,675           Receivable for investments sold         10,123         —           Interest and dividends receivable         8,771         7,547           Deferred borrowing costs         294         1,789           Deferred borrowing costs         294         1,748           Deferred offering costs         294         1,748           Deferred offering costs         294         1,748           Foreign tax receivable         —         —           Withholding tax receivables         1,107         549           Total Assets         29,874         885,421           Liabilities         1,107         549           Total Assets         1,107         549           Propale expenses and other receivables         1,107         549           Senior unsecured notes payable         1,250         —           Payable for investments purchased         2,52         8,51		March 31, 2010 (unaudited)	December 31, 2009
Companies more than 25% owned (cost: \$10,000 and \$10,0000, respectively)         \$ 9,000         \$ 9,000           Companies 5% to 25% owned (cost: \$29,39 and \$58,102, respectively)         809,373         760,717           Total investments (cost: \$975,293 and \$1,063,988, respectively)         889,363         760,717           Cash and eash equivalents         869,363         \$65,368           Receivable for investments sold         10,123         —           Interest and dividends receivable         8,771         75,47           Peter de borrowing costs         4,509         9,914           Fee revenue receivable         4,600         5,824           Defrend offering costs         276         294           Defrend offering costs         276         294           Derivative assets         276         294           Toreign tax receivable         —         —           Foreign tax receivable         1,107         549           Total Assets         29,874         88,142           Libilities         1,107         549           Encitation secured notes payable         15,500         —           Payable for investments purchased         1,500         —           Dividends payable         1         5           Cedit fa	Assets	(22)	
Companies P8 for 25% one 25% one de (cost: S28,939 and 885,102, respectively)         20,583         39,323           Companies less than 5% owned (cost: S28,534 and 8968,886, respectively)         809,373         760,717           Total investments (cost: S975,293 and \$1,663,988, respectively)         838,956         863,140           Cash and eash equivalents         60,363         5,675           Receivable for investments sold         10,123         —           Interest and dividends receivable         8,771         7,547           Deferred borrowing costs         294         1,789           Deferred borrowing costs         294         1,748           Deferred offering costs         294         1,748           Deferred offering costs         294         1,748           Foreign tax receivable         —         —           Withholding tax receivables         1,107         549           Total Assets         29,874         885,421           Liabilities         1,107         549           Total Assets         1,107         549           Propale expenses and other receivables         1,107         549           Senior unsecured notes payable         1,250         —           Payable for investments purchased         2,52         8,51	Investments at value:		
Companies less than 5% owned (cost: \$936,534 and \$968,886, respectively)         809,373         760,717           Total investments (cost: \$975,293 and \$1,063,988, respectively)         838,956         836,340           Cash and cash equivalents         60,363         \$5,075           Receivable for investments sold         10,123         ————————————————————————————————————	Companies more than 25% owned (cost: \$10,000 and \$10,000, respectively)	\$ 9,000	\$ 9,000
Total investments (cost: \$975,293 and \$1,063,988,respectively)         838,956         863,140           Cash and cash equivalents         60,363         5,575           Receivable for investments sold         10,123         —           Interest and dividends receivable         8,771         7,547           Deferred bornwing costs         4,503         914           Fee revenue receivable         4,260         5,824           Deferred offering costs         276         294           Foreign tax receivable         76         294           Berrivative assets         276         295           Foreign tax receivable         —         —           Withholding tax receivable         —         —           Total Asset         928,743         885,421           Liabilities         2         28,421           Senior unsecured notes payable         2         28,421           Senior unsecured notes payable         11,106         —           Senior unsecured notes payable         2         —           Senior unsecured notes payable         11,106         —           Senior unsecured notes payable         2         5,279         8,517           Direct allability payable         5,279         8,517	Companies 5% to 25% owned (cost: \$28,939 and \$85,102, respectively)	20,583	93,423
Cash and cash equivalents         60,363         5,675           Receivable for investments sold         10,123         —           Interest and dividends receivable         8,771         7,547           Defered borrowing costs         4,593         914           Eer revenue receivable         294         1,478           Derivative assets         296         294           Derivative assets         276         294           Foreign tax receivable         —         —           Foreign tax receivable         —         —           Total Assets         928,743         885,421           Librities         —         —           Senior unsecured notes payable         125,000         —           Payable for investments purchased         11,196         —           Payable for investments purchased         11,196         —           Payable for investments purchased         125,000         —           Payable for investments purchased         125,000         —           Payable for investments purchased         15,000         —           Payable for investments purchased         15,000         —           Payable for investments purchased         15,000         —           Dividen	Companies less than 5% owned (cost: \$936,354 and \$968,886, respectively)	809,373	760,717
Receivable for investments sold         10,123         —           Interest and dividends receivable         8,771         7,544           Deferred borrowing costs         4,593         914           Foe revenue receivable         294         1,478           Defriend offering costs         276         294           Beriyative assets         276         294           Foreign tax receivable         —         —           Withholding tax receivable         1,107         549           Total Assets         328,743         885,421           Liabilities           Senior unsecured notes payable         1,107         549           Payable for investments purchased         43,650         —           Payable for investments purchased         43,650         —           Dividends payable         1         —         78,136           Dividends payable         9         2,733         85,114           Distributions payable         9         5,279         8,517           Investments advisory and management fee payable         5,279         8,517           Investment advisory and management fee payable         5,279         8,517           Dive to Solar Capital Partner         745         912<	Total investments (cost: \$975,293 and \$1,063,988, respectively)	838,956	863,140
Intenst and dividends receivable	Cash and cash equivalents	60,363	5,675
Defened borrowing costs         4,593         9,14           Fee revenue receivable         4,260         5,824           Defrivat offening costs         276         294           Derivative assets         276         294           Foreign tax receivable         —         —           Witholding tax receivable         —         —           Prepaid expenses and other receivables         1,107         549           Total Assets         928,743         885,421           Liabilities         25,000         —           Senior unsecured notes payable         125,000         —           Payable for investments purchased         43,650         —           Dividends payable         —         88,114           Dividends payable         —         8,114           Dividends payable         —         8,114           Dividends payable         —         8,517           Investment advisory and management fee payable         —         8,517           Investment advisory and management fee payable         4,366         8,663           Interest payable         1,62         133           Derivative liabilities         7,78         25           Derivative liabilities         7,8	Receivable for investments sold	10,123	_
Fee revenue receivable         4,260         5,824           Deferred offering costs         274         1,478           Derivative assets         276         294           Foreign tax receivable         —         —           Withholding tax receivable         —         —           Prepaid expenses and other receivables         1,107         549           Total Assets         928,743         885,421           Liabilities         —         —           Senior unsecured notes payable         125,000         —           Payable for investments purchased         43,650         —           Dividends payable         —         75,136           Due to Solar Capital Partners LLC:         —         75,136           Due to Solar Capital Partners LLC:         —         8,517           Performance-based incentive fee payable         5,279         8,517           Investment advisory and management fee payable         5,279         8,517           Investment advisory and management fee payable         5,279         8,517           Derivative liabilities         7,8         25           Derivative liabilities         7,8         25           Derivative liabilities         1,9         2	Interest and dividends receivable	8,771	7,547
Defered offering costs         294         1,478           Derivative assets         276         294           Foreign tax receivable         —         —           Witholding tax receivable         —         —           Prepaid expenses and other receivables         1,107         549           Total Assets         928,743         885,421           Liabilities         125,000         —           Senior unsecured notes payable         125,000         —           Payable for investments purchased         43,650         —           Dividends payable         —         88,114           Dividency payable         —         88,114           Dividency payable         5,279         8,517           Dividency payable         5,279         8,517           Investment advisory and management fee payable         4,366         8,63           Deferred fee revenue         1,692         1,53           Interest payable         6         745         912 <td>Deferred borrowing costs</td> <td>4,593</td> <td>914</td>	Deferred borrowing costs	4,593	914
Derivative assets         276         294           Foreign tax receivable         —         —           Withholding tax receivable         —         —           Prepaid expenses and other receivables         1,107         549           Total Assets         928,743         885,421           Liabilities         —         —           Senior unsecured notes payable         125,000         —           Payable for investments purchased         43,650         —           Dividends payable         —         88,114           Credit facility payable         —         88,114           Distributions payable         —         88,114           Distributions payable         —         8,131           Due to Solar Capital Pattners LLC:         —         8,131           Performance-based incentive fee payable         5,279         8,517           Investment advisory and management fee payable         5,279         8,517           Interest payable         9,136         3,532           Interest payable         1,692         153           Deterred fee revenue         2,134         3,532           Interest payable         9,136         3,532           Deterred fee revenue	Fee revenue receivable	4,260	5,824
Foreign tax receivable         —         —           Witholding tax receivable         —         —           Prepaid expense and other receivables         3,107         549           Total Assets         328,743         885,421           Liabilities         2         2           Senior unsecured notes payable         125,000         —           Payable for investments purchased         11,196         —           Payable for investments purchased         11,196         —           Credit facility payable         —         88,114           Distributions payable         —         75,136           Due to Solar Capital Partners LLC:         —         75,136           Performance-based incentive fee payable         5,279         8,517           Interest payable         5,279         8,517           Interest payable         4,366         8,663           Deferred fee revenue         1,692         153           Interest payable         7,78         2.2           De violative liabilities         778         2.2           Derivative liabilities         78         2.2           Other accurated expenses and payables         688         533           Other accurated expenses and pay	Deferred offering costs	294	1,478
Withholding tax receivable         ————————————————————————————————————	Derivative assets	276	294
Prepaid expenses and other receivables         1,107         549           Total Assets         928,743         885,421           Labilities         885,421         885,421           Pension unsecured notes payable         125,000         -           Payable for investments purchased         43,650         -           Payable for investments purchased         11,106         -           Credit facility payable         -         88,141           Distributions payable         -         75,136           Distributions payable         5,279         8,517           Investment advisory and management fee payable         4,366         8,663           Deferred fee revenue         2,136         3,532           Interest payable         7,78         25           Derivative liabilities         778         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         68,8         53           Other accrued expenses and payables         78,9         19,30           Total Liabilities         78,10         19,30           Net Asset         8         19,30           Particular capital in excess of par         66,371         -           Co	Foreign tax receivable	_	_
Prepaid expenses and other receivables         1,107         549           Total Assets         928,743         885,221           Liabilities         125,000         —           Payable for investments purchased         125,000         —           Payable for investments purchased         11,196         —           Payable for investments purchased         11,196         —           Payable for investments purchased         11,196         —           Credit facility payable         —         88,114           Distributions payable         5,279         8,517           Investment advisory and management fee payable         5,279         8,517           Investment advisory and management fee payable         4,366         8,663           Deferred fee revenue         1,502         153           Interest payable         778         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         18,23         1,931           Total Liabilities         198,24         1,931           Total Liabilities         2,834         1,931           Partners' capital         666,371         —	Withholding tax receivable	_	_
Senior unsecured notes payable   125,000	Prepaid expenses and other receivables	1,107	549
Senior unsecured notes payable         125,000         —           Payable for investments purchased         43,650         —           Dividends payable         11,196         —           Credit facility payable         —         88,114           Distributions payable         —         75,136           Due to Solar Capital Partners LLC:         ***         ***           Performance-based incentive fee payable         5,279         8,517           Investment advisory and management fee payable         4,366         8,663           Deferred fee revenue         2,136         3,532           Interest payable         1,692         153           Derivative liabilities         778         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets           Partners' capital         —         607,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         39         —           Paid in capital in excess of par         666,311         —	Total Assets	928,743	885,421
Payable for investments purchased         43,650         —           Dividends payable         11,196         —           Credit facility payable         —         88,114           Distributions payable         —         75,136           Due to Solar Capital Partners LLC:         —           Performance-based incentive fee payable         5,279         8,517           Investment advisory and management fee payable         4,366         8,663           Defined fee revenue         2,136         3,532           Interest payable         1,692         153           Derivative liabilities         778         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets           Partners' capital         —         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         —         666,371         —           Paid in capital in excess of par         666,371         —         —           Undistributed net investment income         4,000	Liabilities		
Dividends payable         11,196         —           Credit facility payable         —         88,114           Distributions payable         —         75,136           Due to Solar Capital Partners LLC:         Performance-based incentive fee payable         5,279         8,517           Investment advisory and management fee payable         4,366         8,633           Defered fee revenue         2,136         3,532           Interest payable         1,692         153           Derivative liabilities         745         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets         —         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         —           Paid in capital in excess of par         666,371         —           Undistributed net investment income         4,000         —           Accumulated net realized gain         1,792         —           Net unrealized appreciation         57,887         —	Senior unsecured notes payable	125,000	_
Dividends payable         11,196         —           Credit facility payable         —         88,114           Due to Solar Capital Partners LLC:         —           Performance-based incentive fee payable         5,279         8,517           Investment advisory and management fee payable         4,366         8,663           Deferred fee revenue         2,136         3,532           Interest payable         1,692         153           Derivative liabilities         778         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets         —         697,903           Partners' capital         —         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         —           Paid in capital in excess of par         666,371         —           Undistributed net investment income         4,000         —           Accumulated net realized gain         1,792         —           Net unrealized appreciation         57,887         <		43,650	_
Credit facility payable         —         88,114           Distributions payable         —         75,136           Due to Solar Capital Partners LLC:         —         8,517           Performance-based incentive fee payable         5,279         8,517           Investment advisory and management fee payable         4,366         8,663           Deferred fee revenue         1,136         3,532           Interest payable         1,692         153           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets         —         667,903           Partners' capital         —         679,03           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         —           Paid in capital in excess of par         666,371         —           Undistributed net investment income         4,000         —           Accumulated net realized gain         1,792         —           Net unrealized appreciation         57,887         —           Total Net Assets		11,196	_
Distributions payable       75,136         Due to Solar Capital Partners LLC:       76,136         Performance-based incentive fee payable       5,279       8,517         Investment advisory and management fee payable       4,366       8,663         Deferred fee revenue       2,136       3,532         Interest payable       1,692       153         Due to Solar Capital Management LLC       745       912         Income taxes payable       688       535         Other accrued expenses and payables       688       535         Other accrued expenses and payables       198,364       187,518         Net Assets       7       8       9         Partners' capital       5       666,371       5         Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding       329       5         Paid in capital in excess of par       666,371       5         Undistributed net investment income       4,000       5         Accumulated net realized gain       1,792       5         Net unrealized appreciation       57,887       5         Total Net Assets       \$730,379       \$697,903         Number of shares outstanding       32,928,257       32,860,454	Credit facility payable	´—	88,114
Due to Solar Capital Partners LLC:         Performance-based incentive fee payable         5,279         8,517           Investment advisory and management fee payable         4,366         8,663           Deferred fee revenue         2,136         3,532           Interest payable         1,692         153           Derivative liabilities         778         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets         —         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         —           Pard in capital in excess of par         666,371         —           Vulndistributed net investment income         4,000         —           Accumulated net realized gain         1,792         —           Net unrealized appreciation         57,887         —           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454	Distributions payable	_	75,136
Investment advisory and management fee payable         4,366         8,663           Deferred fee revenue         2,136         3,532           Interest payable         1,692         153           Derivative liabilities         778         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets         -         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         -           Paid in capital in excess of par         666,371         -           Undistributed net investment income         4,000         -           Accumulated net realized gain         1,792         -           Net unrealized appreciation         57,887         -           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454	• •		,
Deferred fee revenue         2,136         3,532           Interest payable         1,692         153           Derivative liabilities         778         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets         -         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         -           Paid in capital in excess of par         666,371         -           Undistributed net investment income         4,000         -           Accumulated net realized gain         1,792         -           Net unrealized appreciation         57,887         -           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454	Performance-based incentive fee payable	5,279	8,517
Deferred fee revenue         2,136         3,532           Interest payable         1,692         153           Derivative liabilities         778         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets         -         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         -           Paid in capital in excess of par         666,371         -           Undistributed net investment income         4,000         -           Accumulated net realized gain         1,792         -           Net unrealized appreciation         57,887         -           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454	Investment advisory and management fee payable	4,366	8,663
Interest payable         1,692         153           Derivative liabilities         778         25           Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets         -         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         -           Paid in capital in excess of par         666,371         -           Undistributed net investment income         4,000         -           Accumulated net realized gain         1,792         -           Net unrealized appreciation         57,887         -           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454		2,136	3,532
Due to Solar Capital Management LLC         745         912           Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets           Partners' capital         —         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         —           Paid in capital in excess of par         666,371         —           Undistributed net investment income         4,000         —           Accumulated net realized gain         1,792         —           Net unrealized appreciation         57,887         —           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454		1,692	153
Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets           Partners' capital         —         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         —           Paid in capital in excess of par         666,371         —           Undistributed net investment income         4,000         —           Accumulated net realized gain         1,792         —           Net unrealized appreciation         57,887         —           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454	Derivative liabilities	778	25
Income taxes payable         688         535           Other accrued expenses and payables         2,834         1,931           Total Liabilities         198,364         187,518           Net Assets           Partners' capital         —         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         —           Paid in capital in excess of par         666,371         —           Undistributed net investment income         4,000         —           Accumulated net realized gain         1,792         —           Net unrealized appreciation         57,887         —           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454	Due to Solar Capital Management LLC	745	912
Total Liabilities         198,364         187,518           Net Assets           Partners' capital         —         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         —           Paid in capital in excess of par         666,371         —           Undistributed net investment income         4,000         —           Accumulated net realized gain         1,792         —           Net unrealized appreciation         57,887         —           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454	Income taxes payable	688	535
Net Assets         Partners' capital         —         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         —           Paid in capital in excess of par         666,371         —           Undistributed net investment income         4,000         —           Accumulated net realized gain         1,792         —           Net unrealized appreciation         57,887         —           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454	Other accrued expenses and payables	2,834	1,931
Partners' capital         —         697,903           Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding         329         —           Paid in capital in excess of par         666,371         —           Undistributed net investment income         4,000         —           Accumulated net realized gain         1,792         —           Net unrealized appreciation         57,887         —           Total Net Assets         \$730,379         \$697,903           Number of shares outstanding         32,928,257         32,860,454	Total Liabilities	198,364	187,518
Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding       329       —         Paid in capital in excess of par       666,371       —         Undistributed net investment income       4,000       —         Accumulated net realized gain       1,792       —         Net unrealized appreciation       57,887       —         Total Net Assets       \$730,379       \$697,903         Number of shares outstanding       32,928,257       32,860,454	Net Assets		
Paid in capital in excess of par       666,371       —         Undistributed net investment income       4,000       —         Accumulated net realized gain       1,792       —         Net unrealized appreciation       57,887       —         Total Net Assets       \$730,379       \$697,903         Number of shares outstanding       32,928,257       32,860,454	Partners' capital	_	697,903
Undistributed net investment income       4,000       —         Accumulated net realized gain       1,792       —         Net unrealized appreciation       57,887       —         Total Net Assets       \$730,379       \$697,903         Number of shares outstanding       32,928,257       32,860,454	Common stock, par value \$0.01 per share 32,928,257 shares issued and outstanding	329	_
Accumulated net realized gain       1,792       —         Net unrealized appreciation       57,887       —         Total Net Assets       \$730,379       \$697,903         Number of shares outstanding       32,928,257       32,860,454	Paid in capital in excess of par	666,371	_
Net unrealized appreciation         57,887         —           Total Net Assets         \$ 730,379         \$ 697,903           Number of shares outstanding         32,928,257         32,860,454	Undistributed net investment income	4,000	_
Total Net Assets         \$ 730,379         \$ 697,903           Number of shares outstanding         32,928,257         32,860,454	Accumulated net realized gain	1,792	_
Total Net Assets         \$ 730,379         \$ 697,903           Number of shares outstanding         32,928,257         32,860,454	Net unrealized appreciation	57,887	
		\$ 730,379	\$ 697,903
	Number of shares outstanding	32,928,257	32,860,454
		\$ 22.18	\$ 21.24

# SOLAR CAPITAL LTD CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except shares)

	Three months ended March 31, 2010	Three months ended March 31, 2009
DEFECTIVE IN COME	(unaudited)	(unaudited)
INVESTMENT INCOME: Interest and dividends:		
Companies more than 25% owned	\$ —	\$ —
Companies 5% to 25% owned	\$ 7,619	\$ 2,265
Other interest and dividend income	27,691	25,912
Total interest and dividends	35,310	28,177
Total investment income	35,310	28,177
EXPENSES:		
Performance-based incentive fee	5.279	4.274
Investment advisory and management fees	4.366	4,073
Interest and other credit facility expenses	2,951	731
Administrative service fee	453	604
Other general and administrative expenses	1,069	921
Total operating expenses	14,118	10,603
Net investment income before income tax expense	21,192	17,574
Income tax expense	81	479
Net investment income	21,111	17,095
Net investment income	21,111	17,093
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FORWARD CONTRACTS AND FOREIGN CURRENCIES:		
Net realized gain (loss):		
Investments:		
Companies more than 25% owned	_	_
Companies 5% to 25% owned	16,397	_
Companies less than 5% owned	(43,728)	(22,656)
Net realized loss on investments	(27,331)	(22,656)
Forward contracts	1,552	8,948
Foreign currency exchange	3,536	(29)
Net realized loss before income taxes	(22,243)	(13,737)
Income tax expense (benefit) on realized gain (loss)	(22,243)	(13,737)
		(12.727)
Net realized loss	(22,243)	(13,737)
Net change in unrealized gain (loss):		
Investments:		
Companies more than 25% owned	_	(2,900)
Companies 5% to 25% owned	(16,677)	(498)
Companies less than 5% owned	81,188	(19,434)
Net unrealized gain (loss) on investments	64,511	(22,832)
Forward contracts	(771)	(5,700)
Foreign currency exchange	(604)	(408)
Net change in unrealized gain (loss)	63,136	(28,940)
Net realized and unrealized gain (loss) on investments, forward		
contracts and foreign currencies	40,893	(42,677)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM		
OPERATIONS	\$ 62,004	\$ (25,582)
Earnings (loss) per share	\$ 1.90	\$ (0.78)

# Reconciliation of December 31, 2009 NAV per Share (\$ and shares in thousands)

	Reported	reflect IPC	o forma NAV, ting the Merger, O and Private Placement
December 31, 2009 NAV	\$ 697,903	\$	697,903
Adjustments:			
Merger (Issuance of Senior Unsecured Notes)	_		(125,000)
IPO and Private Placement			106,897
Pro Forma NAV	\$ 697,903	\$	679,800
Shares outstanding	32,861 shares	3	2,928 shares
NAV per share	\$ 21.24	\$	20.64

#### Per Share Computations

For periods prior to February 9, 2010, the share count used in all share-based computations, including NAV per share and earnings per share, has been decreased retroactively by a factor of approximately 0.4022, representing the rate at which shares of Solar Capital Ltd. common stock were exchanged for units of Solar Capital LLC prior to the initial public offering.

#### ABOUT SOLAR CAPITAL LTD.

Solar Capital Ltd. is a closed-end investment company that has elected to be treated as a business development company under the Investment Company Act of 1940. The Company invests primarily in leveraged, middle market companies in the form of senior secured loans, mezzanine loans, and equity securities.

#### FORWARD-LOOKING STATEMENTS

Statements included herein may constitute "forward-looking statements," which relate to future events or our future performance or financial condition. These statements are not guarantees of future performance, condition or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in our filings with the Securities and Exchange Commission. Solar Capital Ltd. undertakes no duty to update any forward-looking statements made herein.