

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO

**TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1) OF
THE SECURITIES EXCHANGE ACT OF 1934**

FS INVESTMENT CORPORATION

(Name of Subject Company (Issuer))

FS INVESTMENT CORPORATION

(Names of filing Person (Offeror and Issuer))

Common Stock, Par Value \$0.001 per share
(Title of Class of Securities)

302635 107
(CUSIP Number of Class of Securities)

Michael C. Forman
Chief Executive Officer
FS Investment Corporation
Cira Centre
2929 Arch Street, Suite 675
Philadelphia, Pennsylvania 19104
(215) 495-1150

(Name, address and telephone number of person authorized to
receive notices and communications on behalf of filing person)

Copy to:

James A. Lebovitz
Dechert LLP
Cira Centre
2929 Arch Street
Philadelphia, Pennsylvania 19104
(215) 994-4000

CALCULATION OF FILING FEE

Transaction Valuation⁽¹⁾
\$250,000,000

Amount of Filing Fee⁽²⁾
\$32,200

- (1) Calculated solely for purposes of determining the amount of the filing fee. This amount is based upon the offer to purchase up to \$250,000,000 in value of shares of common stock, par value \$0.001 per share, of FS Investment Corporation.
- (2) The amount of the filing fee, calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, as modified by Fee Rate Advisory No. 1 for fiscal year 2014, equals \$128.80 per million dollars of the value of the transaction.

- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not Applicable
Form or Registration No.: Not Applicable
Filing Party: Not Applicable
Date Filed: Not Applicable

- Check the box if filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- Third-party tender offer subject to Rule 14d-1.
 Issuer tender offer subject to Rule 13e-4.
 Going-private transaction subject to Rule 13e-3.
 Amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

This Tender Offer Statement on Schedule TO (this "**Schedule TO**") relates to the offer by FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended ("**FSIC**" or the "**Company**"), to purchase for cash up to \$250,000,000 in value of the Company's shares of common stock, par value \$0.001 per share (the "**Shares**"), at a price specified by the tendering stockholders of not greater than \$11.00 or less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in the Offer to Purchase, dated April 16, 2014 (the "**Offer to Purchase**"), a copy of which is filed herewith as Exhibit (a)(1)(A), and the related Letter of Transmittal (the "**Letter of Transmittal**," which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**"), a copy of which is filed herewith as Exhibit (a)(1)(B). This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**").

The information contained in the Offer to Purchase and the Letter of Transmittal, respectively, as each may be amended or supplemented from time to time, is hereby incorporated by reference in response to certain items of this Schedule TO.

ITEM 1. SUMMARY TERM SHEET.

The information under the heading "Summary Term Sheet" included in the Offer to Purchase is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) **Name and Address.** The name of the issuer is FS Investment Corporation. The address and telephone number of the issuer's principal executive offices are: Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, Pennsylvania 19104 and (215) 495-1150.

(b) **Securities.** The subject securities are FSIC's shares of common stock, par value \$0.001 per share. Immediately after the listing of the Shares on the New York Stock Exchange LLC on April 16, 2014, there were 262,282,173 Shares issued and outstanding.

(c) **Trading Market and Price.** Information regarding the trading market and price of the Shares is incorporated herein by reference from the Offer to Purchase under the heading "Section 7—Price Range of Shares; Distributions."

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a) **Name and Address.** The filing person and subject company to which this Schedule TO relates is FS Investment Corporation. The address and telephone number of FSIC is set forth under Item 2(a) above. The names of the directors and executive officers of FSIC are as set forth in the Offer to Purchase under the heading "Section 10—Interests of Directors, Executive Officers and Affiliates; Transactions and Arrangements Concerning the Shares," and such information is incorporated herein by reference. The business address and business telephone number of each director and executive officer of FSIC is c/o FS Investment Corporation, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, Pennsylvania 19104; (215) 495-1150.

ITEM 4. TERMS OF THE TRANSACTION.

(a) **Material Terms.** The material terms of the transaction are incorporated herein by reference from the Offer to Purchase under the headings "Summary Term Sheet," "Introduction," "Section 1—Number of Shares; Purchase Price; Proration," "Section 2—Purpose of the Offer; Certain Effects of the Offer; Plans or Proposals," "Section 3—Procedures for Tendering Shares," "Section 4—Withdrawal Rights," "Section 5—Purchase of Shares and Payment of Purchase Price," "Section 6—Conditions of the Offer," "Section 8—Source and Amount of Funds," "Section 10—Interests of Directors, Executive Officers and Affiliates; Transactions and Arrangements Concerning the Shares," "Section 13—Material U.S. Federal Income Tax Consequences," and "Section 14—Extension of the Offer; Termination; Amendment." There will be no material differences in the rights of the remaining security holders of the Company as a result of this transaction.

(b) **Purchases.** None of our directors, executive officers or, to our knowledge, any of our affiliates intend to tender any of their Shares in the Offer. Therefore, the Offer will increase the proportional holdings of our directors, executive officers and affiliates. See "Section 2—Purpose of the Offer; Certain Effects of the Offer; Plans or Proposals" of the Offer to Purchase.

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

(e) **Agreements Involving the Subject Company's Securities.** Information regarding agreements involving FSIC's securities is incorporated herein by reference from the Offer to Purchase under the heading "Section 10—Interests of Directors,

Executive Officers and Affiliates; Transactions and Arrangements Concerning the Shares.” Except as set forth therein, the Company does not know of any agreement, arrangement or understanding, whether or not legally enforceable, between the Company and any other person with respect to the Company’s securities.

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

(a) **Purposes.** Information regarding the purpose of the transaction is incorporated herein by reference from the Offer to Purchase under the heading “Section 2—Purpose of the Offer; Certain Effects of the Offer; Plans or Proposals.”

(b) **Use of Securities Acquired.** Information regarding the treatment of Shares acquired pursuant to the Offer is incorporated herein by reference from the Offer to Purchase under the heading “Section 2—Purpose of the Offer; Certain Effects of the Offer; Plans or Proposals.”

(c) **Plans.** Information regarding any plans or proposals is incorporated herein by reference from the Offer to Purchase under the headings “Section 2—Purpose of the Offer; Certain Effects of the Offer; Plans or Proposals,” “Section 7—Price Range of Shares; Distributions,” and “Section 10—Interests of Directors, Executive Officers and Affiliates; Transactions and Arrangements Concerning the Shares.”

ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) **Source of Funds.** Information regarding the source of funds is incorporated herein by reference from the Offer to Purchase under the heading “Section 8—Source and Amount of Funds.”

(b) **Conditions.** There are no material conditions to the financing discussed in paragraph (a) above. In the event the primary financing plans fall through, the Company does not have any alternative financing arrangements or alternative financing plans.

(d) **Borrowed Funds.** Information regarding borrowed funds is incorporated herein by reference from the Offer to Purchase under the heading “Section 8—Source and Amount of Funds.” The Company has not made any plans or arrangements to finance or repay its senior secured revolving credit facility with ING Capital LLC and the other lenders party thereto (the “**Senior Secured Revolving Credit Facility**”), borrowings under which are expected to be used to fund all or a portion of any purchases of Shares pursuant to the Offer, prior to its maturity, other than scheduled amortization payments and mandatory repayments required by the Senior Secured Revolving Credit Facility.

ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) **Securities Ownership.** The information under the heading “Section 10—Interests of Directors, Executive Officers and Affiliates; Transactions and Arrangements Concerning the Shares” in the Offer to Purchase is incorporated herein by reference.

(b) **Securities Transactions.** The information under the heading “Section 10—Interests of Directors, Executive Officers and Affiliates; Transactions and Arrangements Concerning the Shares” in the Offer to Purchase is incorporated herein by reference.

ITEM 9. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED.

(a) **Solicitations or Recommendations.** The information under the headings “Summary Term Sheet” and “Section 15—Fees and Expenses” in the Offer to Purchase is incorporated herein by reference.

ITEM 10. FINANCIAL STATEMENTS.

(a) **Financial Information.** Not applicable. The consideration offered to security holders consists solely of cash. The Offer is not subject to any financing condition, and FSIC is a public reporting company under Section 13(a) of the Exchange Act that files reports electronically on EDGAR.

(b) **Pro Forma Financial Information.** Not applicable.

ITEM 11. ADDITIONAL INFORMATION.

(a) **Agreements, Regulatory Requirements and Legal Proceedings.**

(1) The information under the heading “Section 10—Interests of Directors, Executive Officers and Affiliates; Transactions and Arrangements Concerning the Shares” in the Offer to Purchase is incorporated herein by reference. The Company will amend this Schedule TO to reflect material changes to information incorporated by reference in the Offer to Purchase to the extent required by Rule 13e-4(d)(2) promulgated under the Exchange Act.

(a)(2) The information under the heading “Section 12—Certain Legal Matters; Regulatory Approvals” in the Offer to Purchase is incorporated herein by reference.

(a)(3) Not applicable.

(a)(4) Not applicable.

(a)(5) None.

(c) **Other Material Information.** The information set forth in the Offer to Purchase and the Letter of Transmittal, copies of which are filed herewith as Exhibits (a)(1)(A) and (a)(1)(B), respectively, as each may be amended or supplemented from time to time, is incorporated herein by reference. The Company will amend this Schedule TO to include documents that the Company may file with the Securities and Exchange Commission after the date of the Offer to Purchase pursuant to Sections 13(a), 13(c), or 14 of the Exchange Act and prior to the expiration of the Offer to the extent required by Rule 13e-4(d)(2) promulgated under the Exchange Act.

ITEM 12. EXHIBITS.

(a)(1)(A) Offer to Purchase, dated April 16, 2014.

(a)(1)(B) Letter of Transmittal.

(a)(1)(C) Notice of Guaranteed Delivery.

(a)(1)(D) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees, dated April 16, 2014.

(a)(1)(E) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees, dated April 16, 2014.

(a)(1)(F) Notice of Withdrawal of Tender for Individual Investors (other than DTC Participants).

(a)(1)(G) Notice of Withdrawal of Tender for Brokers, Dealers, Banks, Trust Companies and other Nominees and DTC Participants.

(a)(1)(H) Summary Advertisement, dated April 16, 2014.

(a)(5)(A) Press release issued April 16, 2014.

(a)(5)(B) Email to Financial Advisors, dated April 16, 2014.

(b)(1) Senior Secured Revolving Credit Agreement, dated April 3, 2014, by and among FS Investment Corporation, as Borrower, ING Capital LLC, as administrative agent, and the lenders party thereto (previously filed as Exhibit 10.1 to the Current Report on Form 8-K filed April 4, 2014 and incorporated herein by reference).

(d)(1) Form of Lock-up Agreement.

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: April 16, 2014

FS INVESTMENT CORPORATION

By: /s/ MICHAEL C. FORMAN

Name: **Michael C. Forman**

Title: **Chief Executive Officer**

EXHIBIT INDEX

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FS INVESTMENT CORPORATION

Offer to Purchase for Cash
Up to \$250,000,000 in Value of
Shares of its Common Stock
at a Purchase Price of Not Greater Than \$11.00
or Less Than \$10.35 Per Share of Common Stock

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY 28, 2014, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN (SUCH TIME AND DATE, AS THEY MAY BE EXTENDED, THE "EXPIRATION DATE").

FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "**Company**," "**FSIC**," "**we**" or "**us**"), is offering to purchase for cash up to \$250,000,000 in value of its shares of common stock, par value \$0.001 per share (the "**Shares**"), at a price specified by the tendering stockholders of not greater than \$11.00 or less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, on the terms and subject to the conditions described in this Offer to Purchase, dated April 16, 2014 (this "**Offer to Purchase**"), and the related Letter of Transmittal (the "**Letter of Transmittal**," which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**").

The Offer will expire at 5:00 p.m., New York City time, on May 28, 2014, unless the Offer is extended or withdrawn. To tender your Shares you must follow the procedures, including choosing the price or prices at which you wish to tender your Shares, described in the Offer to Purchase, the Letter of Transmittal and the other documents related to the Offer.

Immediately after the listing of the Shares on the New York Stock Exchange LLC (the "**NYSE**") on April 16, 2014, there were 262,282,173 Shares issued and outstanding.

Promptly after the Expiration Date, assuming the conditions to the Offer have been satisfied or waived, we will determine a single price per Share (the "**Purchase Price**"), which will be not more than \$11.00 and not less than \$10.35 per Share, that we will pay, subject to proration, for Shares properly tendered in the Offer and not properly withdrawn, and accepted for payment, taking into account the number of Shares tendered pursuant to the Offer and the prices specified by the tendering stockholders. The Purchase Price will be the lowest price per Share (in increments of \$0.05) of not more than \$11.00 and not less than \$10.35 per Share, at which Shares have been properly tendered or have been deemed to be tendered in the Offer, that will enable us to purchase the maximum number of Shares properly tendered in the Offer and not properly withdrawn having an aggregate purchase price of up to \$250,000,000 or such lesser number if less than \$250,000,000 in value of Shares are properly tendered in the Offer after giving effect to any Shares properly withdrawn.

All Shares purchased in the Offer will be purchased at the same Purchase Price regardless of whether or not any stockholder tendered at a lower price. However, because of the proration provisions described in this Offer to Purchase, all of the Shares properly tendered and not properly withdrawn at or below the Purchase Price may not be purchased if those Shares have an aggregate purchase price in excess of \$250,000,000.

Only Shares properly tendered at prices at or below the Purchase Price, and not properly withdrawn, will be eligible to be purchased. Shares tendered but not purchased pursuant to the Offer will be returned promptly following the Expiration Date. See Sections 3 and 4.

We will not accept Shares subject to conditional tenders, such as acceptance of all or none of the Shares tendered by any tendering stockholder. No fractional Shares will be purchased in the Offer. If any tendered Shares are not purchased for any reason, the Letter of Transmittal with respect to such Shares not purchased will be of no force or effect and Shares tendered through The Depository Trust Company's ("**DTC**") Automated Tender Offer Program ("**ATOP**") (pursuant to Section 3) will be credited to the account maintained with DTC by the participant who delivered the Shares at our expense.

We reserve the right, in our sole discretion, to change the Purchase Price range and to increase or decrease the value of Shares sought in the Offer, subject to applicable law. In accordance with the rules promulgated by the Securities and Exchange Commission (the "**SEC**"), we may increase the number of Shares accepted for payment in the Offer by up to 2% of the outstanding Shares without amending or extending the Offer. See Sections 1, 3 and 4.

On April 16, 2014, the Shares were listed on the NYSE and began trading under the symbol "FSIC." Because April 16, 2014 was the first day on which the Shares were traded on the NYSE, we cannot provide a market price for the Shares. **Tendering stockholders**

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whose Shares are accepted for payment will lose the opportunity to trade such Shares and the chance to participate in any future market upside and future growth of the Company. The trading price of our Shares on the NYSE may be higher or lower than the Purchase Price. **Stockholders are urged to obtain current market quotations for the Shares before deciding whether and at what price or prices to tender their Shares. See Section 7.**

At the maximum Purchase Price of \$11.00 per Share, we could purchase approximately 22,727,272 Shares if the Offer is fully subscribed, which would represent approximately 8.7% of the issued and outstanding Shares as of immediately after the listing of the Shares on the NYSE on April 16, 2014. At the minimum Purchase Price of \$10.35 per Share, we could purchase approximately 24,154,589 Shares if the Offer is fully subscribed, which would represent approximately 9.2% of the issued and outstanding Shares as of immediately after the listing of the Shares on the NYSE on April 16, 2014. See Section 1.

Subject to the applicable rules and regulations promulgated by the SEC, we expressly reserve the right, in our sole discretion, at any time and from time to time, (a) to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and the payment for, any Shares, subject to the restrictions below, (b) to increase or decrease the value of Shares sought in the Offer, (c) to amend the Offer in any respect prior to the Expiration Date, and (d) if any condition specified in Section 6 is not satisfied or waived prior to the Expiration Date, to terminate the Offer and not accept any Shares for payment. Notice of any such extension, amendment or termination will be distributed promptly to stockholders in a manner reasonably designed to inform them of such change in compliance with Rule 13e-4(e)(3) promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). In the case of an extension of the Offer, such extension will be followed by a press release or other public announcement, which will be issued no later than 9:00 a.m., New York City time, on the next business day after the scheduled Expiration Date, in accordance with Rule 14e-1(d) promulgated under the Exchange Act. See Sections 1, 3, 4 and 14.

The Offer is not conditioned upon the receipt of financing or any minimum number of Shares being tendered. The Offer is, however, subject to a number of other terms and conditions. See Section 6.

We expect to use available cash and/or borrowings under the Company's senior secured revolving credit facility with ING Capital LLC and the other lenders party thereto to fund any purchases of Shares in the Offer and to pay all related fees and expenses. See Section 8.

ALTHOUGH OUR BOARD OF DIRECTORS HAS AUTHORIZED THE OFFER, NONE OF THE COMPANY, ANY MEMBER OF OUR BOARD OF DIRECTORS, FB ADVISOR, GDFM, THE DEALER MANAGER, THE PAYING AGENT, THE DEPOSITARY, THE INFORMATION AGENT (EACH AS DEFINED HEREIN) OR ANY OF THEIR RESPECTIVE AFFILIATES HAS MADE, OR IS MAKING, ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN OR INCORPORATED BY REFERENCE IN THIS OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE OFFER. SEE SECTION 2. YOU ARE URGED TO DISCUSS YOUR DECISION WITH YOUR TAX ADVISOR, FINANCIAL ADVISOR AND/OR BROKER.

IF YOUR TENDERED SHARES ARE ACCEPTED AND YOU ARE A U.S. HOLDER (AS DEFINED IN SECTION 13), THE RECEIPT OF CASH FOR YOUR TENDERED SHARES WILL BE A TAXABLE TRANSACTION FOR U.S. FEDERAL INCOME TAX PURPOSES AND GENERALLY WILL BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES EITHER AS A (A) SALE OR EXCHANGE ELIGIBLE FOR CAPITAL GAIN OR LOSS TREATMENT, OR (B) DISTRIBUTION TAXABLE AS ORDINARY INCOME TO THE EXTENT IT IS OUT OF OUR CURRENT OR ACCUMULATED EARNINGS AND PROFITS (AND NOT DESIGNATED BY US AS A CAPITAL GAIN DIVIDEND OR QUALIFIED DIVIDEND INCOME). IF YOU ARE A NON-U.S. HOLDER (AS DEFINED IN SECTION 13), WE WILL WITHHOLD ON THE PAYMENT OF CASH FOR YOUR TENDERED SHARES. SEE SECTION 13. WE URGE YOU TO CONSULT YOUR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO YOU TENDERING YOUR SHARES.

NONE OF THE SEC, ANY STATE SECURITIES COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THIS TRANSACTION, PASSED UPON THE MERITS OR FAIRNESS OF THIS TRANSACTION OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFER TO PURCHASE AND ANY RELATED DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Questions and requests for assistance by institutional stockholders may be directed to Wells Fargo Securities, LLC, the sole dealer manager for the Offer (the "**Dealer Manager**"), and questions and requests for assistance by retail stockholders may be directed to Georgeson Inc., the information agent for the Offer (the "**Information Agent**"), in each case at the telephone numbers and addresses set forth on the back cover page of this Offer to Purchase. Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

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You may request additional copies of this Offer to Purchase, the Letter of Transmittal and the other documents related to the Offer from the Information Agent at the telephone numbers and address on the back cover page of this Offer to Purchase. The Information Agent will promptly furnish to stockholders additional copies of these materials at the Company's expense.

The Dealer Manager for the Offer is:

Wells Fargo Securities, LLC

375 Park Avenue
New York, New York 10152
Call: (212) 214-6400
Call Toll Free: (877) 450-7515

Offer to Purchase dated April 16, 2014

IMPORTANT

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES IN THE OFFER OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES IN THE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION IN, OR INCORPORATED BY REFERENCE IN, THIS OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL OR IN THE OTHER DOCUMENTS TO WHICH WE HAVE REFERRED YOU. OUR DELIVERY OF THIS OFFER TO PURCHASE SHALL NOT UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THE INFORMATION IN THIS OFFER TO PURCHASE IS CORRECT AS OF ANY TIME OTHER THAN THE DATE OF THIS OFFER TO PURCHASE OR THAT THERE HAVE BEEN NO CHANGES IN THE INFORMATION IN OR INCORPORATED BY REFERENCE HEREIN OR IN THE AFFAIRS OF FSIC OR ANY OF ITS SUBSIDIARIES SINCE THE DATE HEREOF. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION IN CONNECTION WITH THE OFFER OTHER THAN THE INFORMATION IN THIS OFFER TO PURCHASE OR THE LETTER OF TRANSMITTAL. IF ANYONE MAKES ANY RECOMMENDATION OR GIVES ANY INFORMATION, YOU MUST NOT RELY UPON THAT RECOMMENDATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY US, ANY MEMBER OF OUR BOARD OF DIRECTORS, FB INCOME ADVISOR, LLC, THE COMPANY'S INVESTMENT ADVISER ("FB ADVISOR"), GSO / BLACKSTONE DEBT FUNDS MANAGEMENT LLC, THE COMPANY'S INVESTMENT SUB-ADVISED ("GDFM"), THE DEALER MANAGER, THE PAYING AGENT, THE DEPOSITARY, THE INFORMATION AGENT OR ANY OF OUR OR THEIR RESPECTIVE AFFILIATES.

THIS OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION, AND YOU SHOULD CAREFULLY READ BOTH IN THEIR ENTIRETY BEFORE MAKING A DECISION WITH RESPECT TO THE OFFER.

If you want to tender all or any portion of your Shares, you must do one of the following prior to 5:00 p.m. New York City time on May 28, 2014, or any later time and date to which the Offer may be extended:

- i *Holders whose Shares are Held by Brokers:* if your Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your Shares for you according to the procedures described in Section 3 of this Offer to Purchase;
- i *Registered Holders:* if you hold Shares in book-entry form as a registered holder in your own name, complete and sign the Letter of Transmittal (or an originally signed photocopy of the Letter of Transmittal (facsimile signatures will not be accepted)) according to its instructions and deliver it (by regular mail, overnight courier or hand delivery), together with any required signature guarantees and any other documents required by the Letter of Transmittal, to Computershare Trust Company, N.A., the depositary for the Offer (the "**Depositary**") at the address shown on the Letter of Transmittal; or
- i *DTC Participants:* if you are an institution participating in DTC, tender your Shares according to the procedure for book-entry transfer described in Section 3 of this Offer to Purchase.

If a nominee holds your Shares, it is likely that they will have an earlier deadline for you to act to instruct them to accept the Offer on your behalf. We urge you to contact the nominee that holds your Shares to find out its deadline.

We recommend that you consult your broker and your financial advisor to determine the status of your account and the best way to tender your Shares. If you have any questions related to the status of the Shares in your registered account, or need to confirm the number of Shares held in your registered account, please call the Company's transfer agent, DST Systems, Inc., at (877) 628-8575 or contact your financial advisor. If you have any questions related to how that status impacts how you may tender your Shares, please contact the Information Agent, Georgeson Inc., at (888) 566-3252 (Toll Free).

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Notwithstanding anything contained in this Offer to Purchase, the Letter of Transmittal or any other ancillary documents relating to the Offer, brokers, dealers, commercial banks, trust companies and other nominees and DTC participants are not required to, and should not, submit the written Letter of Transmittal to the Depositary or DTC in connection with any tender submitted through DTC's ATOP system. DTC participants should submit any documentation required for processing through the ATOP system. Similarly, notwithstanding anything contained in this Offer to Purchase, the Letter of Transmittal or any other ancillary documents relating to the Offer, brokers, dealers, commercial banks, trust companies and other nominees and DTC participants are not required to, and should not, submit a written notice of withdrawal in connection with the withdrawal of any tender submitted through DTC's ATOP system. DTC participants should submit any documentation required for processing through the ATOP system. All tenders and withdrawals through DTC's ATOP system must be completed in accordance with the terms and conditions of the ATOP system.

If you want to tender your Shares but you cannot comply with the procedure for book-entry transfer by the Expiration Date or your other required documents cannot be delivered to the Depositary prior to the Expiration Date, you may still tender your Shares if you comply with the guaranteed delivery procedure described in Section 3 of this Offer to Purchase.

Stockholders properly tendering Shares at \$10.35 per Share (the minimum Purchase Price pursuant to the Offer) can reasonably expect to have at least a portion of such Shares purchased at the Purchase Price if any Shares are purchased pursuant to the Offer (subject to the provisions relating to proration).

We are not aware of any jurisdiction where the making of the Offer is prohibited by any administrative or judicial action pursuant to any valid state statute. If we become aware of any valid state statute prohibiting the making of the Offer or the acceptance of the Shares, we will make a good faith effort to comply with that state statute or seek to have such statute declared inapplicable to the Offer. If, after a good faith effort, we cannot comply with the state statute, we will not make the Offer to, nor will we accept tenders from or on behalf of, the holders of Shares in that state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on our behalf by the Dealer Manager or by one or more registered brokers or dealers licensed under the laws of that jurisdiction.

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SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. This summary term sheet highlights certain material information in this Offer to Purchase (as defined below), but you should realize that it does not describe all of the details of the Offer (as defined below) to the same extent described elsewhere in this Offer to Purchase. To understand the Offer fully and for a more complete description of the terms and conditions of the Offer, you should read carefully this entire Offer to Purchase, the Letter of Transmittal (as defined below) and the other documents related to the Offer. We have included in this summary term sheet references to the sections of this Offer to Purchase where you will find a more complete description of the topics in this summary term sheet.

Who is offering to purchase my Shares?

FS Investment Corporation, which we refer to as the “**Company**,” “**FSIC**,” “**we**” or “**us**.”

What will be the purchase price for the Shares and what will be the form of payment?

We are conducting the Offer by means of a procedure commonly called a modified “Dutch auction.” We are offering to purchase for cash up to \$250,000,000 in value of our shares of common stock, par value \$0.001 per share (the “**Shares**”), pursuant to tenders at a price specified by the tendering stockholders of not greater than \$11.00 or less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in this Offer to Purchase, dated April 16, 2014 (this “**Offer to Purchase**”), and the related Letter of Transmittal (the “**Letter of Transmittal**,” which together, as they may be amended or supplemented from time to time, constitute the “**Offer**”). Promptly after 5:00 p.m., New York City time, on May 28, 2014, unless the Offer is extended or withdrawn (such time and date, as they may be extended, the “**Expiration Date**”), we will, upon the terms and subject to the conditions of the Offer, determine a single price per Share (the “**Purchase Price**”), which will be not more than \$11.00 and not less than \$10.35 per Share, that we will pay, subject to proration, for Shares properly tendered in the Offer and not properly withdrawn, and accepted for payment, taking into account the number of Shares tendered pursuant to the Offer and the prices specified by the tendering stockholders.

The Purchase Price will be the lowest price per Share (in increments of \$0.05) of not more than \$11.00 and not less than \$10.35 at which Shares have been properly tendered or have been deemed to be tendered in the Offer, that will enable us to purchase the maximum number of Shares properly tendered and not properly withdrawn, having an aggregate purchase price of up to \$250,000,000 or such lesser number if less than \$250,000,000 in value of Shares are properly tendered in the Offer after giving effect to any Shares properly withdrawn. We will publicly announce the Purchase Price promptly after we have determined it and, upon the terms and subject to the conditions of the Offer (including the proration provisions), promptly following expiration of the Offer, we will pay the Purchase Price in cash, less any applicable withholding taxes and without interest, to all stockholders who have properly tendered (and have not properly withdrawn) their Shares at prices equal to or less than the Purchase Price. See Section 1. We will not purchase any Shares tendered at a price above the Purchase Price.

We will not accept Shares subject to conditional tenders, such as acceptance of all or none of the Shares tendered by any tendering stockholder. No fractional Shares will be purchased in the Offer.

How many Shares is FSIC offering to purchase?

We are offering to purchase, at the Purchase Price, Shares properly tendered in the Offer and not properly withdrawn up to a maximum aggregate purchase price of \$250,000,000. Since the Purchase Price will only be determined after the Expiration Date, the number of Shares that will be purchased will not be known until after that time. Assuming the Offer is fully subscribed at the minimum Purchase Price of \$10.35 per Share, the number of Shares that we could purchase pursuant to the Offer is approximately 24,154,589, which would represent approximately 9.2% of the issued and outstanding Shares as of immediately after the listing of the Shares on the New York Stock Exchange LLC (the “**NYSE**”) on April 16, 2014. Assuming the Offer is fully subscribed at the maximum Purchase Price of \$11.00 per Share, the number of Shares that we could purchase pursuant to the Offer is approximately 22,727,272, which would represent approximately 8.7% of the issued and outstanding Shares as of immediately after the listing of the Shares on the NYSE on April 16, 2014.

We expressly reserve the right to purchase additional Shares in the Offer, subject to applicable law. In accordance with the rules promulgated by the Securities and Exchange Commission (the “**SEC**”), we may increase the number of Shares accepted for payment in the Offer by up to 2% of the outstanding Shares without amending or extending the Offer. See Section 1.

The Offer is not conditioned upon the receipt of financing or any minimum number of Shares being tendered. The Offer is, however, subject to a number of other terms and conditions. See Section 6.

How was the price range under the Offer determined?

We determined the price range under the Offer based on consultations among our management, our professional advisors and our Board of Directors. Based on such consultations, we arrived at the price range of \$10.35 to \$11.00 per Share, which we believe is representative of the per share value of the Shares and is a range within which (i) our stockholders might sell their Shares to us and (ii) we can prudently affect repurchases for the benefit of the Company. The actual value and trading price of our Shares following the listing of our Shares on the NYSE may be lower or higher than the range at which we are offering to purchase Shares.

Stockholders are urged to obtain current market quotations for the Shares before deciding whether and at what price or prices to tender their Shares. See Section 7.

How will FSIC pay for the Shares?

We will pay for your properly tendered and not properly withdrawn Shares by depositing the Purchase Price in cash, less any applicable withholding taxes and without interest, with Computershare Trust Company, N.A., the paying agent for the Offer (the "**Paying Agent**"), which will act as your agent for the purpose of receiving payments from us and transmitting such payments to you. In all cases, payment for properly tendered Shares will be made only after timely (a) receipt by Computershare Trust Company, N.A., the depository for the Offer (the "**Depository**"), of a properly completed and duly executed Letter of Transmittal, and any required signature guarantees and other documents required by the Letter of Transmittal, or (b) if you are tendering Shares through the Automated Tender Offer Program ("**ATOP**") of The Depository Trust Company ("**DTC**"), confirmation of book-entry transfer of the Shares into the Paying Agent's account at DTC. See Sections 3 and 5.

We reserve the right, in our sole discretion, to change the Purchase Price range and to increase or decrease the value of Shares sought in the Offer, subject to applicable law. See Sections 1, 3 and 4.

We expect to fund any purchases of Shares pursuant to the Offer, including related fees and expenses, from available cash and/or borrowings under the senior secured revolving credit facility with ING Capital LLC and the other lenders party thereto. The Offer is not conditioned upon the receipt of financing. See Section 8.

How long do I have to tender my Shares?

You may tender your Shares until the Offer expires on the Expiration Date. If a broker, dealer, commercial bank, trust company or other nominee holds your Shares, it is likely that they will have an earlier deadline for you to act to instruct them to accept the Offer on your behalf. We urge you to immediately contact your broker, dealer, commercial bank, trust company or other nominee to find out their deadline. See Sections 1 and 3.

Can the Offer be extended, amended or terminated and, if so, under what circumstances?

We can extend the Offer, in our sole discretion, at any time, subject to applicable laws. We may, however, decide not to extend the Offer. If we were to extend the Offer, we cannot indicate, at this time, the length of any extension that we may provide. If we extend the Offer, we will delay the acceptance of any Shares that have been tendered. We can also amend or terminate the Offer under certain circumstances. See Sections 6 and 14.

How will I be notified if the Offer is extended, amended or terminated?

If the Offer is extended, we will issue a press release announcing the extension and the new expiration date no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled expiration date. We will announce any other amendment to or termination of the Offer by promptly issuing a press release announcing the amendment or termination. See Section 14.

What is the purpose of the Offer?

In considering the Offer, our Board of Directors reviewed, with the assistance of management and professional advisors, the Company's results of operations, financial position and capital requirements, general business conditions, legal, regulatory, rating agency and contractual constraints or restrictions and other factors our Board of Directors deemed relevant. Following such review, our Board of Directors determined that the Offer is a prudent use of the Company's financial resources.

The Company believes that the modified "Dutch auction" tender offer set forth in this Offer to Purchase represents an efficient way to return capital to stockholders who wish to receive cash for all or a portion of their Shares. The Offer provides stockholders with an opportunity to obtain liquidity with respect to all or a portion of their Shares. The Offer also provides stockholders with an efficient way to sell their Shares without incurring most broker's fees or commissions associated with open market sales. In addition, stockholders who wish to achieve a greater percentage of equity ownership in the Company will be able to do so by not tendering their Shares in the Offer. If the Company completes the Offer, stockholders who retain all or a portion of their Shares will have a greater percentage ownership in FSIC and the potential to share in its future earnings and assets, while also bearing the attendant risks associated with owning Shares. See Section 2.

After completing the Offer, we may consider from time to time, subject to approval by our Board of Directors, various forms of stock repurchases after taking into account the results of the Offer, our results of operations, financial position and capital requirements, general business conditions, legal, regulatory, rating agency and contractual constraints or restrictions and other factors our Board of Directors deems relevant. These purchases may be made from time to time on the open market, through privately negotiated transactions or other self-tender offers, and may be on the same terms or on terms and prices that are more or less favorable to stockholders than the terms of the Offer. See Section 2, "Purpose of the Offer; Certain Effects of the Offer; Plans or Proposals."

How does the listing of the Shares on the NYSE affect the Shares?

Because the Shares are now listed on the NYSE, stockholders who choose not to tender their Shares will generally be able to freely liquidate their investment in the Company; however, their Shares will be subject to market volatilities. **Tendering stockholders whose Shares are accepted for payment will lose the opportunity to trade such Shares and the chance to participate in any future market upside and future growth of the Company.** The Offer will reduce our "public float" (the number of Shares owned by non-affiliated stockholders and available for trading in the securities markets), and may reduce the number of our stockholders. See Sections 2 and 7.

What are the conditions to the Offer?

Our obligation to accept for payment and pay for Shares tendered in the Offer depends upon a number of conditions that must be satisfied or waived (to the extent permitted by law) on or prior to the Expiration Date, including that:

- i no action, suit, proceeding or application by any government or governmental, regulatory or administrative agency, authority or tribunal or by any other person, domestic, foreign or supranational, before any court, authority, agency, other tribunal or arbitrator or arbitration panel shall have been instituted or shall be pending, nor shall we have received notice of any such action, that directly or indirectly (1) challenges or seeks to challenge, restrain, prohibit, delay or otherwise affect the making of the Offer, the acquisition by us of some or all of the Shares pursuant to the Offer or otherwise relates in any manner to the Offer or seeks to obtain damages in respect of the Offer, (2) seeks to make the purchase of, or payment for, some or all of the Shares pursuant to the Offer illegal or may result in a delay in our ability to accept for payment or pay for some or all of the Shares, (3) otherwise could reasonably be expected to materially adversely affect the business, properties, assets, liabilities, capitalization, stockholders' equity, financial condition, operations, results of operations or prospects of us or any of our subsidiaries or affiliates, or (4) that otherwise, in our reasonable judgment, could reasonably be expected to adversely affect us or any of our subsidiaries or affiliates or the value of our Shares;
- i our acceptance for payment, purchase or payment for any Shares tendered in the Offer shall not violate or conflict with, or otherwise be contrary to, any applicable law, statute, rule, regulation, decree or order;
- i no action shall have been taken nor any statute, rule, regulation, judgment, decree, injunction or order (preliminary, permanent or otherwise) shall have been proposed, sought, enacted, entered, promulgated, enforced or deemed to be applicable to the Offer or us or any of our subsidiaries by any court, other tribunal, government or governmental agency or other regulatory or administrative authority or body, domestic or foreign, which (1) indicates that any

approval, waiver or other action of any such court, other tribunal, agency, authority or body may be required in connection with the Offer or the purchase of Shares thereunder and which has not been obtained or taken, as applicable, (2) is reasonably likely to make the purchase of, or payment for, some or all of the Shares pursuant to the Offer illegal or to prohibit, restrict or delay consummation of the Offer, (3) materially impairs, in our reasonable judgment, the contemplated benefits to us of the Offer, (4) seeks to impose limitations on our or our affiliates' ability to acquire or hold or to exercise full rights of ownership, including, but not limited to, the right to vote their Shares on all matters validly presented to our stockholders, or (5) otherwise could reasonably be expected to materially adversely affect the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses, franchises, permits, permit applications, results of operations or prospects of us or any of our subsidiaries or affiliates;

- i no general suspension of trading in, or limitation on prices for, securities on any U.S. national securities exchange or in the over-the-counter market, declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory, or any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency, authority or body on, or any event that is likely, in our reasonable judgment, to materially adversely affect, the extension of credit by banks or other lending institutions in the United States (or if existing at the time of commencement of the Offer, a material worsening thereof) shall have occurred;
- i no commencement or escalation, on or after April 16, 2014, of war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism directly or indirectly involving the United States or any other jurisdiction in which FSIC or any of our subsidiaries maintains an office or conducts business (or if existing at the time of commencement of the Offer, a material worsening thereof) shall have occurred;
- i no change, condition, event or development or any condition, event or development involving a prospective change, in general political, market, economic, financial or industry conditions in the United States or internationally that, in our reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses, franchises, permits, permit applications, results of operations or prospects of FSIC and our subsidiaries, taken as a whole, on the value of or trading in the Shares, on our ability to consummate the Offer or on the benefits of the Offer to us (or if existing at the time of commencement of the Offer, a material worsening thereof), shall have occurred;
- i no change, condition, event or development (including any act of nature or man-made disaster) or any condition, event or development involving a prospective change, in the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses, franchises, permits, permit applications, results of operations or prospects of FSIC or any of our subsidiaries that, in our reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on FSIC and our subsidiaries, taken as a whole, on the value of or trading in the Shares, on our ability to consummate the Offer or on the benefits of the Offer to us (or if existing at the time of commencement of the Offer, a material worsening thereof), shall have occurred;
- i no decrease or increase of more than 10% in the market price for the Shares or in the Dow Jones Industrial Average, New York Stock Exchange Index, NASDAQ Composite Index, the Standard and Poor's 500 Composite Index or the Wells Fargo Business Development Company Index measured from the close of trading on April 16, 2014 shall have occurred;
- i no tender or exchange offer for any or all of the outstanding Shares, or any merger, acquisition, business combination or other similar transaction with or involving FSIC or any of our subsidiaries, shall have been proposed, announced or made by any person or entity or shall have been publicly disclosed, nor shall we have entered into a definitive agreement or an agreement in principle with any person with respect to a merger, acquisition, business combination or other similar transaction, in each case, other than the Offer or otherwise described herein;
- i we shall not have become aware that any entity, "group" (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) or person (1) has acquired or proposes to acquire beneficial ownership of more than 5% of the outstanding Shares, whether through the acquisition of stock, the formation of a group, the grant of any option or right (options for and other rights to acquire Shares that are acquired or proposed to be acquired being deemed to be immediately exercisable or convertible for purposes of this clause), or otherwise (other than by virtue of consummation of the Offer or anyone who publicly disclosed such ownership in a filing with the SEC on or before April 16, 2014), (2) who has filed a Schedule 13D or Schedule 13G with the SEC on or before April 16, 2014, has acquired or proposes to acquire, whether through the acquisition of Shares, the formation of a group, the grant of any option or right (options for and other rights to acquire Shares that are acquired or proposed

to be acquired being deemed to be immediately exercisable or convertible for purposes of this clause), or otherwise (other than by virtue of consummation of the Offer), beneficial ownership of an additional 1% or more of the outstanding Shares or (3) shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, reflecting an intent to acquire us or any of our subsidiaries or any of our or any of our subsidiaries' assets or securities;

- i no approval, permit, authorization, favorable review or consent or waiver of or filing with any domestic or foreign governmental or regulatory authority, agency or body or any third party consent or notice, required to be obtained or made in connection with the Offer shall not have been obtained or made on terms and conditions satisfactory to us in our reasonable judgment;
- i we shall not have determined that the consummation of the Offer and the purchase of the Shares pursuant to the Offer is likely, in our reasonable judgment, to cause the Shares to be (1) held of record by less than 300 persons, (2) delisted from the NYSE, or (3) eligible for deregistration under the Exchange Act; or
- i we do not determine, in our reasonable judgment, that the consummation of the Offer or the purchase of Shares from any stockholder could jeopardize our qualification and taxation as a regulated investment company ("**RIC**") under Subchapter M of the Internal Revenue Code of 1986, as amended, for U.S. federal income tax purposes.

The Offer is subject to these conditions, all of which are also described in Section 6. Each of these conditions is for our sole benefit and may be asserted or waived by us, in whole or in part, at any time and from time to time in our discretion prior to the Expiration Date. In certain circumstances, if we waive any of the conditions described above, we may be required to extend the Expiration Date. The Offer is not conditioned upon the receipt of financing or any minimum number of Shares being tendered.

How do I tender my Shares?

If you want to tender all or any portion of your Shares, you must do one of the following prior to the Expiration Date:

- i **Holders whose Shares are Held by Brokers:** if your Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your Shares for you;
- i **Registered Holders:** if you hold Shares in book-entry form as a registered holder in your own name, complete and sign the Letter of Transmittal according to its instructions and deliver it, together with any required signature guarantees and any other documents required by the Letter of Transmittal, to the Depository at the address shown on the Letter of Transmittal; or
- i **DTC Participants:** if you are an institution participating in DTC, tender your Shares according to the procedure for book-entry transfer described in Section 3 of this Offer to Purchase.

If a nominee holds your Shares, it is likely that they will have an earlier deadline for you to act to instruct them to accept the Offer on your behalf. We urge you to contact the nominee that holds your Shares to find out their deadline.

We recommend that you consult your broker and your financial advisor to determine the status of your account and the best way to tender your Shares. If you have any questions related to the status of the Shares in your registered account, or need to confirm the number of Shares held in your registered account, please call the Company's transfer agent, DST Systems, Inc., at (877) 628-8575 or contact your financial advisor. If you have any questions related to how that status impacts how you may tender your Shares, please contact the Information Agent, Georgeson Inc. (the "**Information Agent**"), at (888) 566-3252 (Toll Free).

Brokers, dealers, commercial banks, trust companies and other nominees and DTC participants are not required to, and should not, submit the written Letter of Transmittal to the Depository or DTC in connection with any tender submitted through ATOP. DTC participants should submit any documentation required for processing through the ATOP system.

If you want to tender your Shares but you cannot comply with the procedure for book-entry transfer by the Expiration Date or your other required documents cannot be delivered to the Depository prior to the Expiration Date, you may still tender your Shares if you comply with the guaranteed delivery procedure described in Section 3.

You may contact the Information Agent, Wells Fargo Securities, LLC, the sole dealer manager for the Offer (the "**Dealer Manager**") or your broker for assistance. The contact information for the Dealer Manager and the Information Agent is on the back cover page of this Offer to Purchase. See Section 3 and the instructions to the Letter of Transmittal.

The method of delivery of all documents, including the Letter of Transmittal and any other required documents, including delivery through DTC, is at the sole election and risk of the tendering stockholder. Shares will be deemed delivered only when actually received by the Depository (including by book-entry confirmation). If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

IF YOU ARE A REGISTERED HOLDER AND WANT TO TENDER ALL OR A PORTION OF YOUR SHARES, YOU MUST DELIVER THE LETTER OF TRANSMITTAL AND OTHER REQUIRED DOCUMENTS TO THE DEPOSITARY. ANY DOCUMENTS DELIVERED TO US, THE DEALER MANAGER, THE INFORMATION AGENT, DTC OR ANY OTHER PERSON WILL NOT BE FORWARDED TO THE DEPOSITARY AND WILL NOT BE DEEMED TO BE PROPERLY TENDERED.

Has the Board of Directors or FSIC adopted a position on the Offer?

Our Board of Directors has authorized the Offer. However, none of the Company, any member of our Board of Directors, FB Income Advisor, LLC, the Company's investment adviser ("**FB Advisor**"), GSO / Blackstone Debt Funds Management LLC, the Company's investment sub-adviser ("**GDFM**"), the Dealer Manager, the Information Agent, the Depository, the Paying Agent or any of their respective affiliates has made, or is making, any recommendation to you as to whether you should tender or refrain from tendering your Shares or as to the price or prices at which you may choose to tender your Shares. You must make your own decision as to whether to tender your Shares, how many Shares to tender and the price or prices at which you will tender them. In doing so, you should read carefully the information in or incorporated by reference in this Offer to Purchase and the Letter of Transmittal, including the purposes and effects of the Offer. You are urged to discuss your decision with your tax advisor, financial advisor and/or broker. See Section 2.

Do FSIC's directors or executive officers intend to tender their Shares in the Offer?

None of our directors or executive officers intend to tender any of their Shares in the Offer. In connection with the listing of the Shares on the NYSE, each of our directors and executive officers entered into a lock-up agreement with the Company pursuant to which all of the Shares beneficially owned by them are locked-up, subject to certain exceptions, for a period of 180 days after the date of the listing.

What happens if the number of Shares tendered in the Offer would result in an aggregate purchase price of more than \$250,000,000?

If the number of Shares properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date would result in an aggregate purchase price of more than \$250,000,000, we will purchase Shares from all stockholders who properly tender Shares at or below the Purchase Price, on a *pro rata* basis, with appropriate adjustments to avoid the purchase of fractional Shares, until we have purchased Shares resulting in an aggregate purchase price of up to \$250,000,000. See Sections 1, 3, 4 and 5.

Because of the proration provisions described above, it is possible that we will not purchase all of the Shares that you tender even if you tender them at or below the Purchase Price.

Once I have tendered Shares in the Offer, can I withdraw my tender?

Yes. You may withdraw your tendered Shares at any time prior to the Expiration Date, or such later time and date to which we may extend the Offer. In addition, unless we have already accepted your tendered Shares for payment, you may withdraw your tendered Shares at any time at or after 12:01 a.m., New York City time, on June 12, 2014. See Section 4.

How do I withdraw Shares previously tendered?

To properly withdraw your previously tendered Shares, you must deliver (by regular mail, overnight courier, hand delivery or a manually signed facsimile transmission), prior to the Expiration Date, a properly completed and duly executed Notice of Withdrawal ("**Notice of Withdrawal**") (attached as Exhibit (a)(1)(F) to the Tender Offer Statement on Schedule TO (the "**Schedule TO**") for individual investors (other than custodians and DTC participants), and Exhibit (a)(1)(G) to the Schedule TO

for custodians and DTC participants). Custodians and DTC participants who tendered Shares through DTC must comply with DTC's procedures for withdrawal of tenders. Brokers, dealers, banks, trust companies and other nominees and DTC participants are not required to, and should not, submit the written Notice of Withdrawal in connection with the withdrawal of any tender submitted through DTC's ATOP system, but need to submit any documentation required for processing through the ATOP system. If you have tendered your Shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct that person to arrange for the timely withdrawal of your Shares. See Section 4.

What will happen if I do not tender my Shares?

Stockholders who do not participate in the Offer will retain their Shares and, if the Company completes the Offer, their relative ownership interest in the Company will automatically increase. See Section 2.

When and how will FSIC pay for my tendered Shares that are accepted for payment pursuant to the Offer?

We will announce the preliminary results of the Offer, including the Purchase Price and preliminary information about any expected proration and pay the Purchase Price in cash, less any applicable withholding taxes and without interest, for the Shares we accepted for payment promptly after the Expiration Date. In the event of proration, the Paying Agent will determine the proration factor and pay for those tendered Shares accepted for payment promptly after the Expiration Date. We will pay for the Shares accepted for payment by depositing the aggregate purchase price in cash with the Paying Agent promptly after the Expiration Date. The Paying Agent will act as your agent and will transmit to you the payment for all of your Shares accepted for payment pursuant to the Offer. See Section 5.

What is the market price for the Shares?

On April 16, 2014, the Shares were listed on the NYSE and began trading under the symbol "FSIC." Because April 16, 2014 was the first day on which the Shares were traded on the NYSE, we cannot provide a market price for the Shares. **Tendering stockholders whose Shares are accepted for payment will lose the opportunity to trade such Shares and the chance to participate in any future market upside and future growth of the Company.** The trading price of our Shares on the NYSE may be higher or lower than the Purchase Price. **Stockholders are urged to obtain current market quotations for the Shares before deciding whether and at what price or prices to tender their Shares.** See Section 7.

We can give no assurance as to the price at which stockholders may be able to sell Shares in the future. On the other hand, Shares properly tendered and accepted for payment and paid for will no longer entitle the former owners to participate in the performance of the Company as evidenced by any Share price appreciation (or depreciation) and any payment of dividends or distributions on the Shares.

Will I have to pay brokerage fees and commissions if I tender my Shares?

If you are a holder of record of your Shares and you tender your Shares directly to the Depositary, you will not incur any brokerage fees or commissions. If you hold your Shares through a broker, dealer, commercial bank, trust company or other nominee and that person tenders Shares on your behalf, that person may charge you a fee for doing so. We urge you to consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any such charges will apply. See Section 3.

What is the accounting treatment of the Offer?

The purchase of Shares pursuant to the Offer will result in a reduction of our stockholders' equity in an amount equal to the aggregate purchase price of the Shares we purchase and a corresponding increase in liabilities and/or reduction in total cash and cash equivalents depending on the source of funding. See Section 15.

Are there any governmental or regulatory approvals, consents or filings to be made or obtained in connection with the Offer?

We are not aware of any approval or other action by any governmental, administrative or regulatory authority, agency or body, domestic, foreign or supranational, that would be required for our acquisition or ownership of Shares as contemplated by the

Offer. Should any such approval or other action or notice filings be required, we presently contemplate that we will seek that approval or other action and make or cause to be made such notice filings. We cannot predict whether we will be required to delay the acceptance for payment of or payment for Shares tendered in the Offer pending the outcome of any such approval or other action. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to our business and financial condition. Our obligations pursuant to the Offer to accept for payment and pay for Shares are subject to the satisfaction of certain conditions. See Sections 6 and 12.

What are the material U.S. federal income tax consequences if I tender my Shares?

Generally, if you are a U.S. Holder (as defined in Section 13), the receipt of cash from us in exchange for the Shares you tender in the Offer will be a taxable event for U.S. federal income tax purposes. The receipt of cash for your tendered Shares will generally be treated for U.S. federal income tax purposes either as (1) proceeds from a sale or exchange generally eligible for capital gain or loss treatment or (2) a distribution in respect of stock from the Company. If you are a U.S. Holder, you should complete the IRS ("**Internal Revenue Service**") Form W-9 included as part of the Letter of Transmittal. Any tendering stockholder or other payee who is a U.S. Holder and who fails to timely complete, sign and return to the Depository the IRS Form W-9 included in the Letter of Transmittal (or such other IRS form as may be applicable) may be subject to U.S. backup withholding tax. See Section 3. Non-U.S. Holders (as defined in Section 13) are urged to consult their tax advisors regarding the applicability of U.S. federal income tax withholding, including eligibility for a withholding tax reduction or exemption and the refund procedure, upon the cash received in exchange for Shares. **All stockholders should review the discussion in Sections 3 and 13 regarding material U.S. federal income tax consequences and consult their tax advisor regarding the tax consequences of the Offer.**

Will I have to pay a stock transfer tax if I tender my Shares?

If you instruct the Depository in the Letter of Transmittal to make the payment for the tendered Shares to the registered holder, you will not incur any stock transfer tax for any Shares that are accepted in the Offer. See Section 5.

Following the Offer, will the Company continue as a public company?

Yes. The Offer is conditioned upon, among other things, our having determined in our reasonable judgment that the consummation of the Offer will not cause the Shares to be delisted from the NYSE or to be eligible for deregistration under the Exchange Act. See Sections 2, 6 and 11.

Whom do I contact if I have questions about the Offer?

Questions and requests for assistance by institutional stockholders may be directed to the Dealer Manager and questions and requests for assistance by retail stockholders may be directed to the Information Agent, in each case at the telephone numbers and addresses set forth on the back cover page of this Offer to Purchase. You may request additional copies of this Offer to Purchase, the Letter of Transmittal and the other documents related to the Offer from the Information Agent at the telephone numbers and address on the back cover page of this Offer to Purchase. The Information Agent will promptly furnish to stockholders additional copies of these materials at the Company's expense. Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

FORWARD-LOOKING STATEMENTS

Cautionary Note Regarding Forward-Looking Statements

This Offer to Purchase and the documents incorporated by reference herein may include forward-looking statements that reflect our current views with respect to future events and financial performance. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “would,” “could,” “should,” “seeks,” “approximately,” “intends,” “plans,” “projects,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases.

You can also identify forward-looking statements by discussions of strategy, plans or intentions. Statements regarding the following subjects may be impacted by a number of risks and uncertainties:

- i our future operating results;
- i our business prospects and the prospects of our portfolio companies;
- i the impact of the investments that we expect to make;
- i the ability of our portfolio companies to achieve their objectives;
- i our current and expected financings and investments;
- i receiving and maintaining corporate credit ratings and changes in the general interest rate environment;
- i the adequacy of our cash resources, financing sources and working capital;
- i the timing and amount of cash flows, distributions and dividends, if any, from our portfolio companies;
- i our contractual arrangements and relationships with third parties;
- i actual and potential conflicts of interest with FB Advisor, FS Investment Advisor, LLC, FS Energy and Power Fund, FSIC II Advisor, LLC, FS Investment Corporation II, FS Investment Corporation III, FSIC III Advisor, LLC, FS Global Advisor, LLC, FS Global Credit Opportunities Fund, GDFM, or any of their respective affiliates;
- i the dependence of our future success on the general economy and its effect on the industries in which we may invest;
- i our use of financial leverage;
- i the ability of FB Advisor to locate suitable investments for us and to monitor and administer our investments;
- i the ability of FB Advisor or its affiliates to attract and retain highly talented professionals;
- i our ability to maintain our qualification as a RIC and as a business development company;
- i the impact on our business of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations issued thereunder;
- i the effect of changes to tax legislation and our tax position; and
- i the tax status of the enterprises in which we invest.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. You should carefully consider these risks before you make an investment decision with respect to our Shares, along with the following factors that could cause actual results to vary from our forward-looking statements:

- i changes in the economy;
- i risks associated with possible disruption in our operations or the economy generally due to terrorism or natural disasters;
- i future changes in laws or regulations and conditions in our operating area;
- i the ability to complete the Offer;
- i the price at which our Shares may trade on the NYSE, which may be higher or lower than the Purchase Price; and
- i the price and time at which we may make additional repurchases of Shares following completion of the Offer, the number of Shares acquired in such repurchases and the terms, timing, costs and interest rate on any indebtedness incurred to fund such repurchases.

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The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in FSIC's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and other documents of the Company on file with or furnished to the SEC. Any forward-looking statements made in this Offer to Purchase are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by FSIC will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, FSIC or its business or operations. Except as required by law, FSIC undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. We caution you that actual outcomes and results may differ materially from what is expressed, implied or forecast by our forward-looking statements. The forward-looking statements and projections contained in this Offer to Purchase are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act.

INTRODUCTION

To the Stockholders of FS Investment Corporation:

FS Investment Corporation (the "**Company**," "**FSIC**," "**we**" or "**us**") invites its stockholders to tender their shares of its common stock, par value \$0.001 per share (the "**Shares**"), for purchase by us. Upon the terms and subject to the conditions of this Offer to Purchase, dated April 16, 2014 (this "**Offer to Purchase**"), and the related Letter of Transmittal (the "**Letter of Transmittal**," which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**"), we are offering to purchase up to \$250,000,000 in value of Shares pursuant to tenders at a price specified by the tendering stockholders of not greater than \$11.00 or less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest.

The Offer will expire on May 28, 2014, at 5:00 p.m., New York City time, unless the Offer is extended or withdrawn (such date and time, as they may be extended, the "Expiration Date"). To tender your Shares you must follow the procedures described in this Offer to Purchase, the Letter of Transmittal and the other documents related to the Offer, including choosing the price or prices at which you wish to tender Shares.

Promptly after the Expiration Date, assuming the conditions to the Offer have been satisfied or waived, we will determine a single price per Share (the "**Purchase Price**"), which will be not more than \$11.00 and not less than \$10.35 per Share, that we will pay, subject to proration, for Shares properly tendered in the Offer and not properly withdrawn, and accepted for payment, taking into account the number of Shares tendered pursuant to the Offer and the prices specified by the tendering stockholders. The Purchase Price will be the lowest price per Share (in increments of \$0.05) of not more than \$11.00 and not less than \$10.35 per Share at which Shares have been properly tendered or have been deemed to be tendered in the Offer that will enable us to purchase the maximum number of Shares properly tendered in the Offer and not properly withdrawn, having an aggregate purchase price of up to \$250,000,000 or such lesser number if less than \$250,000,000 in value of Shares are properly tendered in the Offer after giving effect to any Shares properly withdrawn.

All Shares purchased pursuant to the Offer will be purchased at the same Purchase Price regardless of whether or not any stockholder tendered at a lower price. However, because of the proration provisions described in this Offer to Purchase, all of the Shares properly tendered and not properly withdrawn at or below the Purchase Price may not be purchased if those Shares have an aggregate purchase price in excess of \$250,000,000.

Only Shares properly tendered at prices at or below the Purchase Price, and not properly withdrawn, will be eligible to be purchased. Shares tendered but not purchased pursuant to the Offer will be returned promptly following the Expiration Date. No fractional shares will be purchased in the Offer. See Sections 3 and 4.

We will not accept Shares subject to conditional tenders, such as acceptance of all or none of the Shares tendered by any tendering stockholder.

Registered stockholders must complete, among other items, the section of the Letter of Transmittal relating to the price at which they are tendering Shares in order to properly tender Shares. See Section 3.

Subject to the applicable rules and regulations promulgated by the Securities and Exchange Commission (the "**SEC**"), we expressly reserve the right, in our sole discretion, at any time and from time to time, (a) to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and the payment for, any Shares, subject to the restrictions below, (b) to increase or decrease the value of Shares sought in the Offer, (c) to amend the Offer in any respect prior to the Expiration Date, and (d) if any condition specified in Section 6 is not satisfied or waived prior to the Expiration Date, to terminate the Offer and not accept any Shares for payment. Notice of any such extension, amendment or termination will be distributed promptly to stockholders in a manner reasonably designed to inform them of such change in compliance with Rule 13e-4(e) promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). In the case of an extension of the Offer, such extension will be followed by a press release or other public announcements which will be issued no later than 9:00 a.m., New York City time, on the next business day after the scheduled Expiration Date, in accordance with Rule 14e-1(d) promulgated under the Exchange Act. See Sections 1, 3, 4 and 14.

THE OFFER IS NOT CONDITIONED UPON THE RECEIPT OF FINANCING OR ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO A NUMBER OF OTHER TERMS AND CONDITIONS. SEE SECTION 6.

ALTHOUGH OUR BOARD OF DIRECTORS HAS AUTHORIZED THE OFFER, NONE OF THE COMPANY, ANY MEMBER OF OUR BOARD OF DIRECTORS, FB ADVISOR, GDFM, THE DEALER MANAGER, THE PAYING AGENT, THE DEPOSITARY, THE INFORMATION AGENT (EACH AS DEFINED HEREIN) OR ANY OF THEIR RESPECTIVE AFFILIATES HAS MADE, OR IS MAKING, ANY RECOMMENDATION TO YOU AS TO

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WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOU WILL TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN OR INCORPORATED BY REFERENCE IN THIS OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE OFFER. SEE SECTION 2. YOU ARE URGED TO DISCUSS YOUR DECISION WITH YOUR TAX ADVISOR, FINANCIAL ADVISOR AND/OR BROKER.

Upon the terms and subject to the conditions of the Offer, if the number of Shares properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date would result in an aggregate purchase price of more than \$250,000,000, we will purchase Shares from all stockholders who properly tender Shares at or below the Purchase Price, on a *pro rata* basis, with appropriate adjustments to avoid the purchase of fractional Shares, until we have purchased Shares resulting in an aggregate purchase price of up to \$250,000,000. See Sections 1, 3, 4 and 5.

Because of the proration provisions described above, we may not purchase all of the Shares that you tender even if you tender them at or below the Purchase Price. See Section 1.

The Purchase Price will be paid in cash, less any applicable withholding taxes and without interest, to tendering stockholders for all Shares purchased. Tendering stockholders who hold Shares registered in their own name and who tender their Shares directly to Computershare Trust Company, N.A., the depository for the Offer (the "**Depository**"), will not be obligated to pay brokerage commissions, solicitation fees or, except as set forth in Section 5 hereof, stock transfer taxes on the purchase of Shares by us pursuant to the Offer. Stockholders holding Shares in a brokerage account or otherwise through a broker, dealer, commercial bank, trust company or other nominee are urged to consult their broker, dealer, commercial bank, trust company or other nominee to determine whether any charges may apply if stockholders tender Shares through such nominees and not directly to the Depository. See Section 3.

Also, any tendering stockholder or other payee who is a U.S. Holder (as defined in Section 13) and who fails to timely complete, sign and return to the Depository the Internal Revenue Service ("**IRS**") Form W-9 included with the Letter of Transmittal (or such other IRS form as may be applicable) may be subject to U.S. federal backup withholding tax on the gross proceeds paid to the U.S. Holder pursuant to the Offer. See Section 3. Also, see Section 13 regarding the material U.S. federal income tax consequences of the Offer.

We will pay the reasonable and customary fees and expenses incurred in connection with the Offer by Wells Fargo Securities, LLC, the sole dealer manager for the Offer (the "**Dealer Manager**"), Computershare Trust Company, N.A., the Depository and paying agent for the Offer (the "**Paying Agent**") and Georgeson Inc., the information agent for the Offer (the "**Information Agent**"). See Section 15.

On April 16, 2014, the Shares were listed on the New York Stock Exchange LLC (the "**NYSE**") and began trading under the symbol "FSIC." Because April 16, 2014 was the first day on which the Shares were traded on the NYSE, we cannot provide a market price for the Shares. **Tendering stockholders whose Shares are accepted for payment will lose the opportunity to trade such Shares and the chance to participate in any future market upside and future growth of the Company.** The trading price of our Shares on the NYSE may be higher or lower than the Purchase Price. **Stockholders are urged to obtain current market quotations for the Shares before deciding whether and at what price or prices to tender their Shares.** See Section 7.

Immediately after the listing of the Shares on the NYSE on April 16, 2014, there were 262,282,173 Shares issued and outstanding. Assuming the Offer is fully subscribed at the minimum Purchase Price of \$10.35 per Share, the number of Shares that we could purchase pursuant to the Offer is approximately 24,154,589, which would represent approximately 9.2% of the issued and outstanding Shares as of immediately after the listing of the Shares on the NYSE on April 16, 2014. Assuming the Offer is fully subscribed at the maximum Purchase Price of \$11.00 per Share, the number of Shares that we could purchase pursuant to the Offer is approximately 22,727,272, which would represent approximately 8.7% of the issued and outstanding Shares as of immediately after the listing of the Shares on the NYSE on April 16, 2014. See Section 1.

References in this Offer to Purchase to "dollars" and "\$" are to the lawful currency of the United States of America.

This Offer to Purchase and Letter of Transmittal contain important information, and you should carefully read both in their entirety before you make a decision with respect to the Offer.

THE OFFER

1. Number of Shares; Purchase Price; Proration

General. Upon the terms and subject to the conditions of the Offer, we are offering to purchase up to \$250,000,000 in value of Shares pursuant to tenders at a price specified by the tendering stockholders of not greater than \$11.00 or less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest.

The Offer will expire on the Expiration Date, unless the Offer is extended or withdrawn. To tender your Shares you must follow the procedures described in this Offer to Purchase, the Letter of Transmittal and the other documents related to the Offer, including choosing the price or prices at which you wish to tender Shares.

Promptly after the Expiration Date, assuming the conditions to the Offer have been satisfied or waived, we will determine a single Purchase Price (which will be not more than \$11.00 and not less than \$10.35 per Share) that we will pay, subject to proration, for Shares properly tendered in the Offer and not properly withdrawn, and accepted for payment, taking into account the number of Shares tendered pursuant to the Offer and the prices specified by the tendering stockholders. The Purchase Price will be the lowest price (in increments of \$0.05) of not more than \$11.00 and not less than \$10.35 per Share at which Shares have been properly tendered and not properly withdrawn in the Offer that will enable us to purchase the maximum number of tendered Shares having an aggregate purchase price of up to \$250,000,000 or such lesser number if less than \$250,000,000 in value of Shares are properly tendered in the Offer after giving effect to any Shares properly withdrawn.

Only Shares properly tendered at prices at or below the Purchase Price, and not properly withdrawn, will be purchased. However, because of the proration provisions described in this Offer to Purchase, all of the Shares properly tendered and not properly withdrawn at or below the Purchase Price may not be purchased if those Shares have an aggregate purchase price in excess of \$250,000,000. All Shares tendered and not purchased in the Offer, including Shares tendered at or below the Purchase Price and Shares not purchased because of proration, will be returned to the tendering stockholders at our expense promptly following the Expiration Date.

We will not accept Shares subject to conditional tenders, such as acceptance of all or none of the Shares that are tendered by any tendering stockholder.

If we (i) increase the price that may be paid for the Shares above \$11.00 per Share or decrease the price that may be paid for the Shares below \$10.35 per Share, (ii) increase the maximum number of Shares that we may purchase in the Offer by more than 2% of our outstanding Shares or (iii) decrease the number of Shares that we may purchase in the Offer, then the Offer must remain open for at least 10 business days following the date that notice of the increase or decrease is first published, sent or given in the manner specified in Section 14.

Stockholders properly tendering Shares at \$10.35 per Share (the minimum Purchase Price pursuant to the Offer) can reasonably expect to have at least a portion of such Shares purchased at the Purchase Price if any Shares are purchased pursuant to the Offer (subject to provisions relating to proration described in this Offer to Purchase).

Shares acquired pursuant to the Offer will be acquired by FSIC free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, provided that any distributions which may be declared, paid, issued, distributed, made or transferred on or in respect of such Shares to stockholders of record on or prior to the date on which the Shares are accepted for payment pursuant to the Offer shall be for the account of such stockholders.

The Offer is not conditioned upon the receipt of financing or any minimum number of Shares being tendered. The Offer is, however, subject to a number of other terms and conditions. See Section 6.

Proration. Upon the terms and subject to the conditions of the Offer, if the number of Shares properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date would result in an aggregate purchase price of more than \$250,000,000, we will purchase all Shares properly tendered and not properly withdrawn, at prices at or below the Purchase Price, on a *pro rata* basis, with appropriate adjustments to avoid purchases of fractional Shares, as described below, until we have purchased Shares resulting in an aggregate purchase price of up to \$250,000,000.

As a result of the proration applicable to the purchase of Shares tendered, it is possible that all of the Shares that a stockholder tenders in the Offer at or below the Purchase Price may not be purchased. In addition, if a tender is conditioned upon the purchase of a specified number of Shares, none of those Shares will be purchased.

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If proration of tendered Shares is required, the Paying Agent will determine the proration factor promptly following the Expiration Date. Subject to adjustment to avoid the purchase of fractional Shares, proration for each stockholder tendering Shares at or below the Purchase Price will be based on the ratio of the number of Shares properly tendered at or below the Purchase Price and not properly withdrawn by the stockholder to the total number of Shares properly tendered at or below the Purchase Price and not properly withdrawn by all stockholders. In the event of proration, the Paying Agent will determine the proration factor and pay for those tendered Shares accepted for payment promptly after the Expiration Date. The preliminary results of any proration will be announced by press release promptly after the Expiration Date. After the Expiration Date, stockholders may obtain preliminary proration information from the Information Agent and also may be able to obtain the information from their brokers.

As described in Section 13, the extent to which a stockholder's Shares are purchased pursuant to the Offer may affect the U.S. federal income tax consequences of the purchase to the stockholder and, therefore, may be relevant to a stockholder's decision whether to tender Shares. **All stockholders should review the discussion in Sections 3 and 13 regarding material U.S. federal income tax consequences and consult their tax advisor regarding the tax consequences of the Offer.**

This Offer to Purchase and the Letter of Transmittal will be mailed to record holders of the Shares and will be furnished to brokers, dealers, commercial banks, trust companies and other nominees and similar persons whose names, or the names of whose nominees, appear on FSIC's stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

We are not aware of any jurisdiction where the making of the Offer is prohibited by any administrative or judicial action pursuant to any valid state statute. If we become aware of any valid state statute prohibiting the making of the Offer or the acceptance of the Shares, we will make a good faith effort to comply with that state statute or seek to have such statute declared inapplicable to the Offer. If, after a good faith effort, we cannot comply with the state statute, we will not make the Offer to, nor will we accept tenders from or on behalf of, the holders of Shares in that state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on our behalf by the Dealer Manager or by one or more registered brokers or dealers licensed under the laws of that jurisdiction.

2. Purpose of the Offer; Certain Effects of the Offer; Plans or Proposals

Purpose of the Offer

In considering the Offer, our Board of Directors reviewed, with the assistance of management and professional advisors, the Company's results of operations, financial position and capital requirements, general business conditions, legal, regulatory, rating agency and contractual constraints or restrictions and other factors our Board of Directors deemed relevant. Following such review, our Board of Directors determined that the Offer is a prudent use of the Company's financial resources.

The Company believes that the modified "Dutch auction" tender offer set forth in this Offer to Purchase represents an efficient way to return capital to stockholders who wish to receive cash for all or a portion of their Shares. The Offer provides stockholders with an opportunity to obtain liquidity with respect to all or a portion of their Shares. The Offer also provides stockholders with an efficient way to sell their Shares without incurring most broker's fees or commissions associated with open market sales. In addition, stockholders who wish to achieve a greater percentage of equity ownership in the Company will be able to do so by not tendering their Shares in the Offer. If the Company completes the Offer, stockholders who retain all or a portion of their Shares will have a greater percentage ownership in the Company and the potential to share in its future earnings and assets, while also bearing the attendant risks associated with owning Shares.

The purchase of Shares pursuant to the Offer will result in a reduction of our stockholders' equity in an amount equal to the aggregate purchase price of the Shares we purchase and a corresponding increase in liabilities and/or reduction in total cash and cash equivalents depending on the source of funding. After the Offer is completed, we believe that our capital structure, including the available balance of our financing facilities and cash flow from operations, will provide us with sufficient liquidity to meet our current operating expenses and other expenses directly associated with our business for the foreseeable future. However, actual experience may differ significantly from our expectations. See "Forward-Looking Statements." In considering the Offer, our management and our Board of Directors took into account the expected financial impact of the Offer.

ALTHOUGH OUR BOARD OF DIRECTORS HAS AUTHORIZED THE OFFER, NONE OF THE COMPANY, ANY MEMBER OF OUR BOARD OF DIRECTORS, FB ADVISOR, GDFM, THE DEALER MANAGER, THE PAYING AGENT, THE DEPOSITARY, THE INFORMATION AGENT OR ANY OF THEIR RESPECTIVE AFFILIATES MADE, OR IS MAKING, ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PRICE OR PRICES AT

WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOU WILL TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN OR INCORPORATED BY REFERENCE IN THIS OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE OFFER. YOU ARE URGED TO DISCUSS YOUR DECISION WITH YOUR TAX ADVISOR, FINANCIAL ADVISOR AND/OR BROKER.

Certain Effects of the Offer

Stockholders who do not tender their Shares in the Offer and stockholders who otherwise retain an equity interest in the Company as a result of a partial tender of Shares or proration will continue to be owners of the Company. Stockholders who wish to achieve a greater percentage of equity ownership in the Company will be able to do so by not tendering their Shares in the Offer. If the Company completes the Offer, stockholders who retain all or a portion of their Shares will have a greater percentage ownership in FSIC and the potential to share in its future earnings and assets, while also bearing the attendant risks associated with owning Shares.

Stockholders may be able to sell non-tendered Shares in the future at a net price significantly higher or lower than the Purchase Price pursuant to the Offer. We can give no assurance as to the price at which stockholders may be able to sell Shares in the future. On the other hand, Shares properly tendered and accepted for payment and paid for will no longer entitle the former owners to participate in the performance of the Company as evidenced by any Share price appreciation (or depreciation) and any payment of dividends or distributions on the Shares.

The Offer will reduce our "public float" (the number of Shares owned by non-affiliated stockholders and available for trading in the securities markets) and may reduce the number of our stockholders.

None of our directors, executive officers or, to our knowledge, our affiliates intend to tender any of their Shares in the Offer. In connection with the listing of the Shares on the NYSE, each of our directors and executive officers entered into a lock-up agreement with the Company pursuant to which all of the Shares beneficially owned by them are locked-up, subject to certain exceptions, for a period of 180 days after the date of the listing. Therefore, the Offer will increase the proportional holdings of our directors, executive officers and affiliates. After expiration or termination of the term of, or pursuant to any exceptions under, the lock-up agreements, our directors and executive officers may, subject to applicable law and applicable policies and practices of the Company, sell their Shares from time to time in open market transactions at prices that may be more or less favorable than the Purchase Price to be paid to our stockholders in the Offer.

Based on the published guidelines of the NYSE and the conditions of the Offer, we believe that our purchase of up to \$250,000,000 in value of Shares pursuant to the Offer will not result in delisting of the remaining Shares on the NYSE. The Shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our stockholders and the SEC and comply with the SEC's proxy rules in connection with meetings of our stockholders. We believe that our purchase of Shares pursuant to the Offer will not result in the deregistration of the Shares under the Exchange Act. The Offer is conditioned upon, among other things, our having determined in our reasonable judgment that the consummation of the Offer will not cause the Shares to be delisted from the NYSE or to be eligible for deregistration under the Exchange Act. See Section 6.

Shares we acquire pursuant to the Offer will no longer be outstanding and will constitute authorized but unissued shares of capital stock of the Company. Rule 13e-4 promulgated under the Exchange Act prohibits us and our affiliates from purchasing any Shares, other than pursuant to the Offer, until at least 10 business days following the Expiration Date.

Plans or Proposals

Except as disclosed or incorporated by reference in this Offer to Purchase, FSIC currently has no plans, proposals or negotiations underway that relate to or would result in:

- i any extraordinary transaction, such as a merger, reorganization or liquidation, involving FSIC or any of its subsidiaries;
- i any purchase, sale or transfer of a material amount of assets of FSIC or any of its subsidiaries;
- i any material change in the present distribution rate or policy or capitalization of FSIC;
- i any change in the present Board of Directors or management of FSIC, including, but not limited to, any plans or proposals to change the number or the term of directors or to fill any existing vacancies on the Board of Directors or to change any material term of the employment contract of any executive officer;

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- i any other material change in FSIC's corporate structure or business;
- i any class of equity securities of FSIC becoming eligible for termination of registration under Section 12(g)(4) of the Exchange Act or, in the case of the Shares, ceasing to be authorized for listing on the NYSE;
- i the suspension of FSIC's obligation to file reports under Section 15(d) of the Exchange Act;
- i the acquisition by any person of additional securities of FSIC or the disposition by any person of securities of FSIC; or
- i any changes in FSIC's charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of FSIC.

The Company's sponsor, Franklin Square Holdings, L.P. ("**Franklin Square Holdings**") has informed the Company that it is considering purchasing, following the completion of the Offer, up to \$100 million in Shares in open-market transactions (which may include purchases pursuant to 10b5-1 plans), subject to restrictions under applicable law. In addition, the Company has also been informed by certain members of the Company's management and members of management of Franklin Square Holdings that they are considering purchasing, following the completion of the Offer, up to \$25 million in Shares in open-market transactions (which may include purchases pursuant to 10b5-1 plans), subject to restrictions under applicable law. There can be no assurance that Franklin Square Holdings or any members of the Company's or Franklin Square Holdings' management will purchase any Shares. Franklin Square Holdings and members of the Company's and Franklin Square Holdings' management do not intend to participate in the Offer.

In addition, GSO Capital Partners LP ("**GSO**"), the credit platform of The Blackstone Group L.P. and the parent of GSO / Blackstone Debt Funds Management LLC, the Company's investment sub-adviser ("**GDFM**"), has informed the Company that it and certain of its affiliates are considering purchasing, following the completion of Offer, up to \$50 million in Shares in open-market transactions (which may include purchases pursuant to 10b5-1 plans), subject to restrictions under applicable law. There can be no assurance that GSO and its affiliates will purchase any Shares. GSO and its affiliates do not intend to participate in the Offer.

As of December 31, 2013, the Company had approximately \$137.9 million of undistributed net investment income and realized capital gains on a tax basis. Our Board of Directors intends to declare two special cash distributions, each in the amount of \$0.10 per share, that will be paid on August 15, 2014 and November 14, 2014 to stockholders of record as of July 31, 2014 and October 31, 2014, respectively. The payment of any special cash distribution is subject to restrictions under applicable law and the sole discretion of our Board of Directors, and therefore, there can be no assurance as to the amount or timing of any such future distribution.

Although we do not currently have any plans, other than as disclosed or incorporated by reference in this Offer to Purchase, that relate to or would result in any of the events discussed above, we reserve the right to change our plans and intentions at any time as we deem appropriate. After completing the Offer, we may consider various forms of stock repurchases after taking into account the results of the Offer, our results of operations, financial position and capital requirements, general business conditions, legal, regulatory, rating agency and contractual constraints or restrictions and other factors our Board of Directors deems relevant. These purchases may be made from time to time on the open market or through privately-negotiated transactions, and may be on the same terms or on terms and prices that are more or less favorable to stockholders than the terms of this Offer.

3. Procedures for Tendering Shares

Proper Tenders of Shares by Registered Holders. If your Shares are registered in your name (i.e., if you are an individual who is the record and beneficial owner of the Shares), you may tender your Shares in the Offer by delivering (by regular mail, overnight courier or hand delivery) a properly completed and duly executed Letter of Transmittal (or an originally signed photocopy of the Letter of Transmittal (facsimile signatures will not be accepted)), together with any required signature guarantees, and any other required documents to the Depository which must be received by the Depository at its address set forth on the back cover of this Offer to Purchase before the Expiration Date. Stockholders holding their Shares through a broker, dealer, commercial bank, trust company or other nominee must contact their nominee to tender their Shares on their behalf.

Proper Tenders of Shares by Custodians or DTC Participants. If you are a broker, dealer, commercial bank, trust company or other nominee tendering Shares on behalf of your client or an institution participating in The Depository Trust Company ("**DTC**"), you may tender Shares in the Offer by:

- i delivering (by regular mail, overnight courier or hand delivery) a properly completed and duly executed Letter of Transmittal (or an originally signed photocopy of the Letter of Transmittal (facsimile signatures will not be accepted)), together with any required signature guarantees, and any other required documents to the Depository, which must be received by the Depository at its address set forth on the back cover of this Offer to Purchase before the Expiration Date; or

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- i tendering the applicable Shares electronically through DTC's Automated Tender Offer Program ("**ATOP**") into the Paying Agent's account at DTC by book-entry transfer, subject to the terms and procedures of that system, on or prior to the Expiration Date.

Brokers, dealers, commercial banks, trust companies and other nominees and DTC participants are not required to, and should not, submit the written Letter of Transmittal to the Depository or DTC in connection with any tender submitted through DTC's ATOP system. DTC participants should submit any documentation required for processing through the ATOP system. If you are tendering Shares through ATOP and wish to tender portions of your Shares at more than one price, you will need to complete a separate ATOP transfer for each price at which you are tendering your Shares.

In accordance with Instruction 4 to the Letter of Transmittal, each stockholder desiring to tender Shares in the Offer must check one or more of the boxes in the section of the Letter of Transmittal captioned "Price(s) (in U.S. Dollars) per Share at Which Shares are Being Tendered," specifying the number of Shares that such stockholder wishes to tender at each applicable price. A tender of Shares will be proper only if, among other things, at least one of these boxes is checked on the Letter of Transmittal.

Tendering stockholders should be aware that this election could mean that none of their Shares will be purchased if the Purchase Price is less than the price(s) selected by the stockholder. The same Shares cannot be tendered (unless previously properly withdrawn in accordance with the terms of the Offer) more than once or at more than one price. Accordingly, a Letter of Transmittal that purports to tender more Shares than you hold will be an invalid tender. A stockholder who has tendered Shares at more than one price must complete a separate Notice of Withdrawal (as defined below) for Shares tendered at each price or a combined Notice of Withdrawal specifying the Shares to be withdrawn. However, absent a Notice of Withdrawal, subsequent Letters of Transmittal do not revoke prior Letters of Transmittal. Stockholders may contact the Depository for additional instructions.

Stockholders holding Shares in a brokerage account or otherwise through a broker, dealer, commercial bank, trust company or other nominee, must contact their broker, dealer, commercial bank, trust company or other nominee in order to tender their Shares. Stockholders who hold Shares through nominee stockholders are urged to consult their nominees to determine whether any charges may apply if stockholders tender Shares through such nominees and not directly to the Depository.

Signature Guarantees and Method of Delivery. No signature guarantee is required if:

- i the Letter of Transmittal is signed by the registered holder of the Shares tendered and the holder has not completed either the section entitled "Special Delivery Instructions" or the section entitled "Special Payment Instructions" in the Letter of Transmittal; or
- i Shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program, the New York Stock Exchange, Inc. Medallion Signature Program, the Stock Exchange Medallion Program, or an "eligible guarantor institution," as the term is defined in Rule 17Ad-15 promulgated under the Exchange Act (each of the foregoing constituting an "**Eligible Institution**").

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after:

- i a timely confirmation of the book-entry transfer of the Shares into the Paying Agent's account at DTC if Shares are tendered through DTC's ATOP system, as described below; or
- i timely receipt by the Depository of a properly completed and duly executed Letter of Transmittal (or an originally signed photocopy of the Letter of Transmittal (facsimile signatures will not be accepted)), including any required signature guarantees, or an Agent's Message (as defined below), and any other documents required by the Letter of Transmittal, including documents required pursuant to the guaranteed delivery procedures.

The method of delivery of all documents, including the Letter of Transmittal and any other required documents, including delivery through DTC, is at the sole election and risk of the tendering stockholder. Shares will be deemed delivered only when actually received by the Depository (including by book-entry confirmation). If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

IF YOU ARE A REGISTERED HOLDER AND WANT TO TENDER ALL OR A PORTION OF YOUR SHARES, YOU MUST DELIVER THE LETTER OF TRANSMITTAL AND OTHER REQUIRED DOCUMENTS TO THE DEPOSITARY. ANY DOCUMENTS DELIVERED TO US, THE DEALER MANAGER, THE INFORMATION AGENT, DTC OR ANY OTHER PERSON WILL NOT BE FORWARDED TO THE DEPOSITARY AND WILL NOT BE DEEMED TO BE PROPERLY TENDERED.

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Book-Entry Delivery. The Paying Agent will take steps to establish an account with respect to the Shares for purposes of the Offer at DTC within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in DTC's system may make book-entry delivery of the Shares by causing DTC to transfer those Shares into the Paying Agent's account in accordance with DTC's ATOP system. Although delivery of Shares may be effected through a book-entry transfer into the Paying Agent's account at DTC, either (1) a properly completed and duly executed Letter of Transmittal (or an originally signed photocopy of the Letter of Transmittal (facsimile signatures will not be accepted)), with any required signature guarantees, or an Agent's Message, and any other required documents must, in any case, be transmitted to, and received by, the Depository at its address set forth on the back cover page of this Offer to Purchase prior to the Expiration Date or (2) the guaranteed delivery procedure described below must be followed if book-entry transfer of the Shares cannot be effected prior to the Expiration Date.

The confirmation of a book-entry transfer of Shares into the Paying Agent's account at DTC is referred to in this Offer to Purchase as a "book-entry confirmation." Delivery of documents to DTC in accordance with DTC's procedures will not constitute delivery to the Depository.

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Depository and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgement from the participant tendering Shares through DTC that such participant has received, and agrees to be bound by, the terms of the Letter of Transmittal and that FSIC may enforce such agreement against that participant.

Guaranteed Delivery. If a stockholder desires to tender Shares in the Offer and the procedures for book-entry transfer cannot be completed on a timely basis, or if time will not permit delivery of all required documents to the Depository prior to the Expiration Date, the Shares may still be tendered if all of the following conditions are satisfied:

- i the tender is made by or through an Eligible Institution;
- j the Depository receives by hand, mail or overnight courier, prior to the Expiration Date, a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form FSIC has provided with this Offer to Purchase ("**Notice of Guaranteed Delivery**"), including (where required) a signature guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery; and
- k confirmation of book-entry transfer of the Shares into the Paying Agent's account at DTC if you are tendering through DTC's ATOP system, or an originally signed photocopy of the Letter of Transmittal (facsimile signatures will not be accepted), or an Agent's Message, and any required signature guarantees and other documents required by the Letter of Transmittal, are received by the Depository within three business days after the date of receipt by the Depository of the Notice of Guaranteed Delivery.

Stockholders may contact the Information Agent, the Dealer Manager or their broker for assistance. The contact information for the Information Agent and Dealer Manager is on the back cover page of this Offer to Purchase.

Return of Unpurchased Shares. If any tendered Shares are not purchased or are properly withdrawn prior to the Expiration Date, such Shares will be returned to the tendering stockholder promptly after the expiration or termination of the Offer or the proper withdrawal of the Shares, without expense to the stockholder.

U.S. Federal Backup Withholding Tax. Under the U.S. federal backup withholding tax rules, unless an exemption applies under the applicable law and regulations, a portion of the gross proceeds payable to a tendering stockholder or other payee who is a U.S. Holder (as defined in Section 13) pursuant to the Offer must be withheld and remitted to the IRS, unless the tendering stockholder or other payee provides its taxpayer identification number (employer identification number or social security number) to the Paying Agent (as payor) and certifies under penalties of perjury, among other things, that the number is correct. Therefore, each tendering stockholder that is a U.S. Holder should complete and sign the IRS Form W-9 included as part of the Letter of Transmittal so as to provide the information and certification necessary to avoid U.S. federal backup withholding tax, unless the stockholder or other payee otherwise establishes to the satisfaction of the Paying Agent that the stockholder or other payee is not subject to such backup withholding tax. If a U.S. Holder does not provide the Paying Agent with the correct taxpayer identification number, the U.S. Holder may be subject to penalties imposed by the IRS. If U.S. federal backup withholding tax results in an overpayment of taxes, a refund may be obtained from the IRS in accordance with its refund procedures.

Certain "exempt recipients" (including, among others, "C corporations" and certain Non-U.S. Holders (as defined in Section 13)), are not subject to U.S. federal backup withholding tax. In order for a Non-U.S. Holder to qualify as an exempt recipient, that stockholder must submit an IRS Form W-8BEN, W-8IMY (with any required attachments), W-8ECI, or W-8EXP, as applicable (which may be obtained on the IRS website (www.irs.gov)) signed under penalties of perjury, attesting to that stockholder's exempt status. See Instruction 8 to the Letter of Transmittal.

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Information reporting to the IRS may also apply to proceeds from the Offer.

Stockholders are urged to consult with their tax advisors regarding information reporting and possible qualifications for exemption from U.S. federal backup withholding tax and the procedure for obtaining any applicable exemption.

For a more complete discussion of the U.S. federal income tax consequences to tendering stockholders, see Section 13.

Accounting Treatment. The purchase of Shares pursuant to the Offer will result in a reduction of our stockholders' equity in an amount equal to the aggregate purchase price of the Shares we purchase and a corresponding increase in liabilities and/or reduction in total cash and cash equivalents depending on the source of funding.

Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to Give Notice of Defects. All questions as to the number of Shares to be accepted, the Purchase Price to be paid for Shares to be accepted and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of Shares will be determined by FSIC, in its sole discretion, and such determination will be final and binding on all parties, except as finally determined in a subsequent judicial proceeding if FSIC's determinations are challenged by stockholders. FSIC reserves the absolute right to reject any or all tenders of any Shares that it determines are not in proper form or the acceptance for payment of or payment for which may, in the opinion of the Company's counsel, be unlawful. FSIC also reserves the absolute right to waive any of the conditions of the Offer on or prior to the Expiration Date with respect to all tendered Shares in accordance with applicable law. FSIC also reserves the absolute right to waive any defect or irregularity in any tender with respect to any particular Shares, whether or not FSIC waives similar defects or irregularities in the case of any other stockholder. No tender of Shares will be deemed to have been properly made until all defects or irregularities have been cured by the tendering stockholder or waived by FSIC. FSIC will not be liable for failure to waive any condition of the Offer, or any defect or irregularity in any tender of Shares. None of FSIC, FB Income Advisor, LLC, the Company's investment adviser ("**FB Advisor**"), GDFM, the Dealer Manager, the Depositary, the Paying Agent, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in tenders, nor will any of them incur any liability for failure to give any such notice.

Tendering Stockholder's Representation and Warranty; Our Acceptance Constitutes an Agreement. It is a violation of Rule 14e-4 promulgated under the Exchange Act ("**Rule 14e-4**") for a person acting alone or in concert with others, directly or indirectly, to tender Shares for such person's own account unless, at the time of tender, such person has a "net long position" (i.e., more Shares held in long positions than in short positions) in (1) a number of Shares that is equal to or greater than the amount tendered and will deliver or cause to be delivered such Shares for the purpose of tendering to us within the period specified in the Offer or (2) other securities immediately convertible into, exercisable for or exchangeable into a number of Shares ("**Equivalent Securities**") that are equal to or greater than the number of Shares tendered and, upon the acceptance of such tender, will acquire such Shares by conversion, exchange, or exercise of such Equivalent Securities and will deliver or cause to be delivered such Shares so acquired for the purpose of tender to us within the period specified in the Offer. Rule 14e-4 also provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. A tender of Shares made pursuant to any method of delivery set forth herein will constitute the tendering stockholder's acceptance of the terms and conditions of the Offer, as well as the tendering stockholder's representation and warranty to us that (i) such stockholder has a "net long position" in a number of Shares or Equivalent Securities at least equal to the Shares being tendered within the meaning of Rule 14e-4 and (ii) such tender of Shares complies with Rule 14e-4. Our acceptance for payment of Shares tendered in the Offer will constitute a binding agreement between the tendering stockholder and us upon the terms and subject to the conditions of the Offer.

4. Withdrawal Rights

Shares tendered in the Offer may be withdrawn at any time prior to the Expiration Date. In addition, unless FSIC has already accepted your tendered Shares for payment, you may withdraw your tendered Shares at any time at or after 12:01 a.m., New York City time, on June 12, 2014. Except as otherwise provided in this Section 4, tenders of Shares pursuant to the Offer are irrevocable.

Withdrawals by Registered Holders. If your Shares are registered in your name (i.e., if you are an individual who is the record and beneficial owner of the Shares), for a withdrawal to be effective, the Depositary must receive (by regular mail, overnight courier, hand delivery or by a manually signed facsimile transmission), prior to the Expiration Date, a properly completed and duly executed Notice of Withdrawal ("**Notice of Withdrawal**") (attached as Exhibit (a)(1)(F) to the Tender Offer Statement on Schedule TO (the "**Schedule TO**")) at the Depositary's address set forth on the back cover page of this Offer to Purchase. If you tendered your Shares using more than one Letter of Transmittal, you may withdraw Shares using either separate Notices of Withdrawal or a combined Notice of Withdrawal specifying the Shares to be withdrawn.

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Withdrawals by Custodians and DTC Participants. If you are a broker, dealer, commercial bank, trust company or other nominee tendering Shares on behalf of your client or an institution participating in DTC who tendered Shares in accordance with DTC's ATOP system, for a withdrawal to be effective, you must comply with DTC's procedures for withdrawal of tenders. If you tendered your Shares using more than one Letter of Transmittal, you may withdraw Shares using either separate Notices of Withdrawal (attached as Exhibit (a)(1)(G) to the Schedule TO) or a combined Notice of Withdrawal specifying the Shares to be withdrawn. Holders who tendered their Shares to the Paying Agent through DTC's ATOP system should electronically transmit their withdrawal through DTC's ATOP system, subject to the terms and conditions of that system. Holders transmitting their withdrawal through DTC's ATOP system must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC.

Determination of Validity of Withdrawals. All questions as to the form and validity, including the time of receipt, of any Notice of Withdrawal will be determined by us, in our sole discretion and will be final and binding on all parties, except as finally determined in a subsequent judicial proceeding if our determinations are challenged by stockholders. We reserve the absolute right to waive any defect or irregularity in the Notice of Withdrawal or method of withdrawal of Shares by any stockholder, whether or not we waive similar defects or irregularities in the case of any other stockholder. None of FSIC, FB Advisor, GDFM, the Dealer Manager, the Depositary, the Paying Agent, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any Notice of Withdrawal, nor will any of them incur liability for failure to give any such notice.

Withdrawals may not be rescinded, and any Shares properly withdrawn will be deemed not properly tendered for purposes of the Offer. However, properly withdrawn Shares may be re-tendered prior to the Expiration Date by following one of the procedures described in Section 3.

If we extend the Offer, are delayed in our purchase of Shares, or are unable to purchase Shares pursuant to the Offer for any reason, then, without prejudice to our rights pursuant to the Offer, the Paying Agent and the Depositary may, subject to applicable law, retain tendered Shares on our behalf, and such Shares may not be withdrawn, except to the extent tendering stockholders are entitled to withdrawal rights as described in this Section 4.

Our reservation of the right to delay payment for Shares that we have accepted for payment is limited by Rule 13e-4(f)(5) and Rule 14e-1(c) promulgated under the Exchange Act, which require that we must pay the consideration offered or return the Shares tendered promptly after termination or withdrawal of the Offer.

5. Purchase of Shares and Payment of Purchase Price

Upon the terms and subject to the conditions of the Offer, including the proration provisions of the Offer, promptly following the Expiration Date, we will (1) determine the Purchase Price we will pay for Shares properly tendered and not properly withdrawn prior to the Expiration Date, taking into account the number of Shares so tendered and the prices specified by tendering stockholders, and (2) accept for payment and pay an aggregate purchase price of up to \$250,000,000 for Shares that are properly tendered at prices at or below the Purchase Price and not properly withdrawn prior to the Expiration Date. For purposes of the Offer, we will be deemed to have accepted for payment, subject to the proration provisions of the Offer, Shares that are properly tendered at or below the Purchase Price and not properly withdrawn, only when, as and if we give oral or written notice to the Depositary and the Paying Agent of our acceptance of the Shares for payment pursuant to the Offer.

In accordance with the rules promulgated by the SEC, we may increase the number of Shares accepted for payment in the Offer by up to 2% of the outstanding Shares without amending or extending the Offer.

Upon the terms and subject to the conditions of the Offer, we will accept for payment and pay the Purchase Price per Share for all of the Shares accepted for payment pursuant to the Offer promptly after the Expiration Date. In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made promptly, taking into account any time necessary to determine any proration, but only after timely receipt by the Depositary of (1) a book-entry confirmation of the deposit of Shares into the Paying Agent's account at DTC if Shares are tendered through DTC's ATOP system, (2) a properly completed and duly executed Letter of Transmittal (or an originally signed photocopy of the Letter of Transmittal (facsimile signatures will not be accepted)) including any required signature guarantees, or an Agent's Message and (3) any other required documents, including documents required pursuant to guaranteed delivery procedures.

We will pay for Shares purchased pursuant to the Offer by depositing the aggregate purchase price for the Shares with the Paying Agent, which will act as agent for tendering stockholders for the purpose of receiving payment from us and transmitting payment to the tendering stockholders.

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In the event of proration, the Paying Agent will determine the proration factor and pay for those tendered Shares accepted for payment promptly after the Expiration Date. All Shares tendered and not purchased, including all Shares tendered at prices in excess of the Purchase Price and Shares not purchased due to proration, will be credited to the account maintained with DTC by the participant who delivered the Shares at our expense promptly after the Expiration Date or termination of the Offer.

Under no circumstances will we pay interest on the Purchase Price, even if there is any delay in making payment. In addition, if certain events occur prior to the Expiration Date, we may not be obligated to purchase Shares pursuant to the Offer. See Section 6.

We will pay all stock transfer taxes, if any, payable on the transfer to us of Shares purchased pursuant to the Offer. If, however, payment of the Purchase Price is to be made to, or (in the circumstances permitted by the Offer) if unpurchased Shares are to be registered in the name of, any person other than the registered holder, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person, will be deducted from the Purchase Price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption from payment of the stock transfer taxes, is submitted to the Paying Agent.

6. Conditions of the Offer

The Offer is not conditioned upon the receipt of financing or on a minimum number of Shares being tendered. Notwithstanding any other provision of the Offer, we will not be required to accept for payment, purchase or pay for any Shares tendered, and may terminate or amend the Offer or may postpone the acceptance for payment of, or the purchase of or the payment for Shares tendered, subject to the rules promulgated under the Exchange Act, if at any time prior to the Expiration Date, any of the following events or circumstances shall have occurred (or shall have been reasonably determined by us to have occurred):

- i there shall have been instituted, or there shall be pending, or we shall have received notice of any action, suit, proceeding or application by any government or governmental, regulatory or administrative agency, authority or tribunal or by any other person, domestic, foreign or supranational, before any court, authority, agency, other tribunal or arbitrator or arbitration panel that directly or indirectly:
 - i challenges or seeks to challenge, restrain, prohibit, delay or otherwise affect the making of the Offer, the acquisition by us of some or all of the Shares pursuant to the Offer or otherwise relates in any manner to the Offer or seeks to obtain damages in respect of the Offer;
 - i seeks to make the purchase of, or payment for, some or all of the Shares pursuant to the Offer illegal or may result in a delay in our ability to accept for payment or pay for some or all of the Shares;
 - i otherwise could reasonably be expected to materially adversely affect the business, properties, assets, liabilities, capitalization, stockholders' equity, financial condition, operations, results of operations or prospects of us or any of our subsidiaries or affiliates; or
 - i that otherwise, in our reasonable judgment, could reasonably be expected to adversely affect us or any of our subsidiaries or affiliates or the value of our Shares;
- i our acceptance for payment, purchase or payment for any Shares tendered in the Offer shall violate or conflict with, or otherwise be contrary to, any applicable law, statute, rule, regulation, decree or order;
- i any action shall have been taken or any statute, rule, regulation, judgment, decree, injunction or order (preliminary, permanent or otherwise) shall have been proposed, sought, enacted, entered, promulgated, enforced or deemed to be applicable to the Offer or us or any of our subsidiaries by any court, other tribunal, government or governmental agency or other regulatory or administrative authority or body, domestic or foreign, which:
 - i indicates that any approval, waiver or other action of any such court, other tribunal, agency, authority or body may be required in connection with the Offer or the purchase of Shares thereunder and which has not been obtained or taken, as applicable;
 - i is reasonably likely to make the purchase of, or payment for, some or all of the Shares pursuant to the Offer illegal or to prohibit, restrict or delay consummation of the Offer;
 - i materially impairs, in our reasonable judgment, the contemplated benefits to us of the Offer;
 - i seeks to impose limitations on our or our affiliates' ability to acquire or hold or to exercise full rights of ownership, including, but not limited to, the right to vote their Shares on all matters validly presented to our stockholders; or

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- i otherwise could reasonably be expected to materially adversely affect the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses, franchises, permits, permit applications, results of operations or prospects of us or any of our subsidiaries or affiliates;
- i there shall have occurred any of the following:
 - i any general suspension of trading in, or limitation on prices for, securities on any U.S. national securities exchange or in the over-the-counter market, the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory, or any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency, authority or body on, or any event that is likely, in our reasonable judgment, to materially adversely affect, the extension of credit by banks or other lending institutions in the United States;
 - i the commencement or escalation, on or after April 16, 2014, of war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism, directly or indirectly involving the United States or any other jurisdiction in which FSIC or any of our subsidiaries maintains an office or conducts business;
 - i any change, condition, event or development or any condition, event or development involving a prospective change, in general political, market, economic, financial or industry conditions in the United States or internationally that, in our reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses, franchises, permits, permit applications, results of operations or prospects of FSIC and our subsidiaries, taken as a whole, on the value of or trading in the Shares, on our ability to consummate the Offer or on the benefits of the Offer to us;
 - i any change, condition, event or development (including any act of nature or man-made disaster) or any condition, event or development involving a prospective change, in the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses, franchises, permits, permit applications, results of operations or prospects of FSIC or any of our subsidiaries that, in our reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on FSIC and our subsidiaries, taken as a whole, on the value of or trading in the Shares, on our ability to consummate the Offer or on the benefits of the Offer to us; or
 - i in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;
- i any decrease or increase of more than 10% in the market price for the Shares or in the Dow Jones Industrial Average, New York Stock Exchange Index, NASDAQ Composite Index, the Standard and Poor's 500 Composite Index or the Wells Fargo Business Development Company Index measured from the close of trading on April 16, 2014;
- i a tender or exchange offer for any or all of the outstanding Shares, or any merger, acquisition, business combination or other similar transaction with or involving us or any of our subsidiaries, shall have been proposed, announced or made by any person or entity or shall have been publicly disclosed nor shall we have entered into a definitive agreement or an agreement in principle with any person with respect to a merger, acquisition, business combination or other similar transaction, in each case, other than the Offer or otherwise described herein;
- i we shall have become aware that any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person (1) has acquired or proposes to acquire beneficial ownership of more than 5% of the outstanding Shares, whether through the acquisition of stock, the formation of a group, the grant of any option or right (options for and other rights to acquire Shares that are acquired or proposed to be acquired being deemed to be immediately exercisable or convertible for purposes of this clause), or otherwise (other than by virtue of consummation of the Offer or anyone who publicly disclosed such ownership in a filing with the SEC on or before April 16, 2014), (2) who has filed a Schedule 13D or Schedule 13G with the SEC on or before April 16, 2014, has acquired or proposes to acquire, whether through the acquisition of Shares, the formation of a group, the grant of any option or right (options for and other rights to acquire Shares that are acquired or proposed to be acquired being deemed to be immediately exercisable or convertible for purposes of this clause), or otherwise (other than by virtue of consummation of the Offer), beneficial ownership of an additional 1% or more of the outstanding Shares or (3) shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, reflecting an intent to acquire us or any of our subsidiaries or any of our or any of our subsidiaries' assets or securities;
- i any approval, permit, authorization, favorable review or consent or waiver of or filing with any domestic or foreign governmental or regulatory authority, agency or body or any third party consent or notice, required to be obtained or made in connection with the Offer shall not have been obtained or made on terms and conditions satisfactory to us in our reasonable judgment;

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- i we shall have determined that the consummation of the Offer and the purchase of the Shares pursuant to the Offer is likely, in our reasonable judgment, to cause the Shares to be (1) held of record by less than 300 persons, (2) delisted from the NYSE or (3) eligible for deregistration under the Exchange Act; or
- j we determine, in our reasonable judgment, that the consummation of the Offer or the purchase of Shares from any stockholder could jeopardize our qualification and taxation as a regulated investment company ("**RIC**") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "**Code**") for U.S. federal income tax purposes.

Each of the conditions referred to above is for our sole benefit and may be asserted or waived by us, in whole or in part, at any time and from time to time in our discretion prior to the Expiration Date. In certain circumstances, if we waive any of the conditions described above, we may be required to extend the Expiration Date.

Once the Offer has expired, all of the conditions to the Offer must have been satisfied or waived. Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any right, and each such right will be deemed an ongoing right that may be asserted at any time and from time to time prior to the Expiration Date. Any determination by us concerning the fulfillment or non-fulfillment of the conditions described above will be final and binding on all parties, except as finally determined in a subsequent judicial proceeding if our determination is challenged by stockholders.

7. Price Range of Shares; Distributions

Price Range of Shares. On April 16, 2014, the Shares were listed and began trading on the NYSE under the symbol "FSIC." Because April 16, 2014 was the first day on which the Shares were traded on the NYSE, we cannot provide a market price of the Shares. We determined the price range under the Offer based on consultations among our management, our professional advisors and our Board of Directors. Based on such consultations, we arrived at the price range of \$10.35 to \$11.00 per Share, which we believe is representative of the per share value of the Shares and is a range within which (i) our stockholders might sell their Shares to us and (ii) we can prudently affect repurchases for the benefit of the Company. The trading price of our Shares on the NYSE may be lower or higher than the Purchase Price. **Stockholders are urged to obtain current market quotations for the Shares before deciding whether and at what price or prices to tender their Shares.**

Distributions. The following table sets forth the distributions that have been paid and/or declared within the past two years by our Board of Directors:

<u>Fiscal Year</u>	<u>Amount Declared per Share</u>
Fiscal Year ending December 31, 2012	\$ 0.8586
Fiscal Year ending December 31, 2013	\$ 0.8303

Shares purchased in the Offer no longer will be eligible for receipt of future distributions. The Company reserves the right to increase its monthly distributions and pay special distributions in cash or in kind.

On January 7, 2014, our Board of Directors declared a regular monthly cash distribution of \$0.0720 per Share, which was paid on January 31, 2014 to stockholders of record on January 30, 2014. On February 4, 2014, our Board of Directors declared a regular monthly cash distribution of \$0.0720 per Share, which was paid on February 28, 2014 to stockholders of record on February 27, 2014. On March 11, 2014, our Board of Directors declared a regular monthly cash distribution of \$0.0720 per Share, which was paid on March 31, 2014 to stockholders of record on March 28, 2014. On March 31, 2014, our Board of Directors declared a regular monthly cash distribution of \$0.07425 per Share, to be paid on April 30, 2014 to stockholders of record on April 29, 2014. In addition, our Board of Directors intends to declare two special cash distributions, each in the amount of \$0.10 per Share, that will be paid on August 15, 2014 and November 14, 2014 to stockholders of record as of July 31, 2014 and October 31, 2014, respectively. The timing and amount of any future distributions (including the aforementioned special cash distributions) to stockholders are subject to restrictions under applicable law and the sole discretion of our Board of Directors. If tendered Shares are purchased before the record date for any further regular or special cash distribution, tendering stockholders will not receive such distributions.

8. Source and Amount of Funds

FSIC expects to fund any purchases of Shares pursuant to the Offer, including the related fees and expenses, from available cash and/or borrowings under the senior secured revolving credit facility with ING Capital LLC ("**ING**") and the other lenders party thereto (the "**Senior Secured Revolving Credit Facility**"). The Offer is not subject to a financing contingency. If the Offer is fully subscribed, we expect the aggregate purchase price for the Shares in the Offer, together with all related fees and expenses, to be approximately \$251.4 million.

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On April 3, 2014, FSIC entered into the Senior Secured Revolving Credit Facility with ING, as administrative agent, and the lenders party thereto. The Senior Secured Revolving Credit Facility provides for borrowings in U.S. dollars and certain agreed upon foreign currencies in an initial aggregate amount of up to \$300 million, with an option for the Company to request, at one or more times after closing, that existing or new lenders, at their election, provide up to \$100 million of additional commitments. The Senior Secured Revolving Credit Facility provides for the issuance of letters of credit in an aggregate face amount not to exceed \$25 million. The Company's obligations under the Senior Secured Revolving Credit Facility are guaranteed by all of the Company's subsidiaries, other than its special-purpose financing subsidiaries. The Company's obligations under the Senior Secured Revolving Credit Facility are secured by a first priority security interest in substantially all of the assets of the Company and the subsidiary guarantors thereunder.

Borrowings under the Senior Secured Revolving Credit Facility are subject to compliance with a borrowing base. Interest under the Senior Secured Revolving Credit Facility for (i) loans for which the Company elects the base rate option is payable at a rate equal to 1.5% per annum plus the greatest of (x) the "U.S. Prime Rate" as published in The Wall Street Journal, (y) the federal funds effective rate plus 0.5% per annum and (z) three-month London Interbank Offered Rate ("**LIBOR**") plus 1% per annum and (ii) loans for which the Company elects the Eurocurrency option is payable at a rate equal to 2.5% per annum plus adjusted LIBOR. The Senior Secured Revolving Credit Facility will be subject to a non-usage fee of (a) 1% per annum on the unused portion of the commitment under the Senior Secured Revolving Credit Facility for each day such unused portion exceeds 65% of the commitments and (b) 0.375% per annum on the unused portion of the commitments for each day the unused portion is 35% or less. The Company will pay letter of credit participation fees and a fronting fee on the average daily amount of any lender's exposure with respect to any letters of credit issued under the Senior Secured Revolving Credit Facility.

In connection with the Senior Secured Revolving Credit Facility, the Company has made certain representations and warranties and must comply with various covenants and reporting requirements customary for facilities of this type. In addition, the Company must comply with the following financial covenants: (a) the Company's minimum stockholders' equity, measured as of each fiscal quarter-end, must be greater than or equal to the greater of (i) 40% of assets of the Company and its subsidiaries as of the last day of such fiscal quarter and (ii) approximately \$2.0 billion (less amounts paid to purchase common stock in the Company's tender offer), plus 50% of the net proceeds of any post-closing equity offerings; (b) the Company must maintain at all times a 200% asset coverage ratio; (c) the sum of (x) the Company and the guarantors' Net Worth (defined as stockholders' equity minus the net asset value held by the Company in any special-purpose financing subsidiaries) plus (y) 30% of the equity value of any special-purpose financing subsidiaries, must at all times be at least equal to the sum of (A) any unsecured longer-term debt of the Company and (B) accrued but unpaid base management fees and incentive fees at the time of measurement; and (d) the aggregate value of eligible portfolio investments that can be converted to cash in fewer than 20 business days without more than a 5% change in price must not be less than 10% of the Covered Debt Amount (defined as the aggregate amount of outstanding loans and issued letters of credit under the facility, plus, to the extent incurred after closing of the Senior Secured Revolving Credit Facility, certain other permitted debt of the Company) for more than 30 business days during any period during which the Covered Debt Amount (less cash and cash equivalents included in the borrowing base) is greater than 90% of the borrowing base (less cash and cash equivalents included therein).

The Senior Secured Revolving Credit Facility contains events of default customary for facilities of this type. Upon the occurrence of an event of default, ING, at the instruction of the lenders, may terminate the commitments and declare the outstanding advances and all other obligations under the Senior Secured Revolving Credit Facility immediately due and payable. During the continuation of an event of default and subject, in certain cases, to the instructions of the lenders, the Company must pay interest at a default rate.

9. Certain Information Concerning the Company

We are an externally managed, non-diversified, closed-end management investment company that has elected to be regulated as a business development company ("**BDC**") under the Investment Company Act of 1940, as amended. We have elected to be treated for U.S. federal income tax purposes, and intend to qualify annually, as a RIC under Subchapter M of the Code. We are managed by FB Advisor, a private investment firm that is registered as an investment adviser with the SEC and is an affiliate of ours. FB Advisor oversees the management of our activities and is responsible for making investment decisions for our portfolio. FB Advisor has engaged GDFM, a subsidiary of GSO, to act as our investment sub-adviser.

Our investment objectives are to generate current income and, to a lesser extent, long-term capital appreciation. We seek to meet our investment objectives by:

- i utilizing the experience and expertise of the management teams of FB Advisor and GDFM, along with the broader resources of GSO, which include its access to the relationships and human capital of its parent, The Blackstone Group L.P., in sourcing, evaluating and structuring transactions;
- j employing a defensive investment approach focused on long-term credit performance and principal protection;

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- i focusing primarily on debt investments in a broad array of private U.S. companies, including middle market companies, which we define as companies with annual revenue of \$50 million to \$2.5 billion at the time of investment. In many environments, we believe such a focus offers an opportunity for superior risk adjusted returns;
- i investing primarily in established, stable enterprises with positive cash flows; and
- i maintaining rigorous portfolio monitoring in an attempt to anticipate and pre-empt negative credit events within our portfolio.

Our principal office is located at Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104 and our telephone number is (215) 495-1150.

During the year ended December 31, 2013 and for the two months ended February 28, 2014, we made investments in portfolio companies totaling approximately \$2.6 billion and \$330.2 million, respectively. As of December 31, 2013, our investment portfolio, with a total fair value of approximately \$4.1 billion, consisted of interests in 165 portfolio companies (51% in first lien senior secured loans, 22% in second lien senior secured loans, 9% in senior secured bonds, 10% in subordinated debt, 4% in collateralized securities and 4% in equity/other). The portfolio companies that comprised our portfolio as of December 31, 2013 had an average annual earnings before interest, taxes, depreciation and amortization ("**EBITDA**") of approximately \$190.7 million. As of February 28, 2014, our investment portfolio, with a total fair value of approximately \$4.1 billion, consisted of interests in 159 portfolio companies (51% in first lien senior secured loans, 22% in second lien senior secured loans, 10% in senior secured bonds, 10% in subordinated debt, 3% in collateralized securities and 4% in equity/other). The portfolio companies that comprised our portfolio as of February 28, 2014 had an average annual EBITDA of approximately \$191.1 million. As of December 31, 2013 and February 28, 2014, the investments in our portfolio were purchased at a weighted average price of 97.3% of par or stated value, as applicable, the weighted average credit rating of the investments in our portfolio that were rated was B3 based upon the Moody's Investors Service, Inc. scale and our estimated gross annual portfolio yield, prior to leverage, was 10.1% based upon the amortized cost of our investments.

Available Information. We are subject to the informational filing requirements of the Exchange Act, and, accordingly, are obligated to file reports, statements and other information with the SEC relating to our business, financial condition and other matters. Information, as of particular dates, concerning our directors and executive officers, their remuneration, incentive compensation granted to them, the principal holders of our securities and any material interest of these persons in transactions with us is required to be disclosed in proxy statements distributed to our stockholders and filed with the SEC. We also have filed the Schedule TO with the SEC that includes additional information relating to the Offer.

These reports, statements and other information can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of this material may also be obtained by mail, upon payment of the SEC's customary charges, from the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. The SEC also maintains a website on the Internet at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. You may access the Company's publicly filed documents at this site, including the Schedule TO and the documents incorporated therein by reference. You may obtain information about the Public Reference Room by calling the SEC for more information at 1-800-SEC-0330. You may also go to the Investor Relations section of Company's website located at www.fsinvestmentcorp.com to access the Schedule TO and related documents.

Incorporation by Reference. The rules promulgated by the SEC allow us to "incorporate by reference" information into this Offer to Purchase, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The following documents that have been previously filed with the SEC contain important information about us and we incorporate them by reference:

- i Definitive Proxy Statement on Schedule 14A, as filed on May 9, 2013;
- i Annual Report on Form 10-K for the fiscal year ended December 31, 2013, as filed on February 28, 2014; and
- i Current Reports on Form 8-K (excluding any information furnished therein), as filed on January 8, 2014, January 22, 2014, February 5, 2014, February 19, 2014, March 5, 2014, March 11, 2014, March 12, 2014, April 1, 2014, April 1, 2014, April 4, 2014 and April 10, 2014.

Any statement contained in any document incorporated by reference in this Offer to Purchase shall be deemed to be modified or superseded to the extent that an inconsistent statement is made in this Offer to Purchase. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase.

You may request a copy of these filings, at no cost, by writing or telephoning the Information Agent at its address and telephone number set forth below:

GEORGESON

480 Washington Blvd., 26th Floor
Jersey City, NJ 07310
(888) 566-3252 (Toll Free) or
via email at fsinvestment@georgeson.com

**Banks and Brokerage Firms please call:
(800) 223-2064**

10. Interests of Directors, Executive Officers and Affiliates; Transactions and Arrangements Concerning the Shares

Shares Outstanding. Immediately after the listing of the Shares on the NYSE on April 16, 2014, we had 262,282,173 issued and outstanding Shares. Because the Purchase Price will be determined after the Expiration Date, the number of Shares that will be purchased will not be known until after that time. Assuming the Offer is fully subscribed at the minimum Purchase Price of \$10.35 per Share, the number of Shares that we could purchase pursuant to the Offer is approximately 24,154,589, which would represent approximately 9.2% of the issued and outstanding Shares as of immediately after the listing of the Shares on the NYSE on April 16, 2014. Assuming the Offer is fully subscribed at the maximum Purchase Price of \$11.00 per Share, the number of Shares that we could purchase pursuant to the Offer is approximately 22,727,272, which would represent approximately 8.7% of the issued and outstanding Shares as of immediately after the listing of the Shares on the NYSE on April 16, 2014.

Interests of Directors and Executive Officers. Immediately after the listing of the Shares on the NYSE on April 16, 2014, our directors and executive officers as a group (17 persons) beneficially owned an aggregate of 280,488 Shares, representing less than 1.0% of the total number of outstanding Shares. None of our directors or executive officers intends to tender any of their Shares in the Offer. In connection with the listing of the Shares on the NYSE, each of our directors and executive officers entered into a lock-up agreement with the Company pursuant to which all of the Shares beneficially owned by them are locked-up, subject to certain exceptions, for a period of 180 days after the date of the listing. After expiration or termination of the term of, or pursuant to any exception under, the lock-up agreements, our directors and executive officers may, subject to applicable law and applicable policies and practices of the Company, sell their Shares from time to time in open market transactions at prices that may be more or less favorable than the Purchase Price to be paid to our stockholders pursuant to the Offer.

The following tables set forth (1) the aggregate number of Shares that were beneficially owned (as determined under Rule 13d-3 promulgated under the Exchange Act) by each of our current directors and executive officers, and by all directors and executive officers as a group, as of immediately after the listing of the Shares on the NYSE on April 16, 2014, and (2) the aggregate number and percentage of Shares that were beneficially owned (as determined under Rule 13d-3 promulgated under the Exchange Act) by each person who owns (to our knowledge and based on the most current Schedule 13Ds and 13Gs filed with the SEC for each such person) more than 5% of the outstanding Shares. For purposes of these tables, and in accordance with the rules promulgated by the SEC, Shares are considered "beneficially owned" if the person directly or indirectly has sole or shared power to vote or direct the voting of the securities or has sole or shared power to divest of or direct the divestment of the securities. A person is also considered to beneficially own Shares that he or she has the right to acquire within 60 days after April 16, 2014, in accordance with Rule 13d-3 promulgated under the Exchange Act. Except as indicated, each holder has sole voting and dispositive power over the listed Shares.

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The business address of each of our directors and executive officers is c/o FS Investment Corporation, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, Pennsylvania 19104.

<u>Name of Beneficial Owner</u>	<u>Number of Shares</u>	<u>Total Beneficial Ownership (%)</u>
Interested Directors		
David J. Adelman	34,063	*
Michael C. Forman ⁽¹⁾	147,682	*
Thomas J. Gravina	—	—
Michael Heller	15,487	*
Independent Directors		
Gregory P. Chandler	—	—
Barry H. Frank ⁽²⁾	59,289	*
Michael J. Hagan	—	—
Jeffrey K. Harrow	—	—
Paul Mendelson	7,414	*
Pedro A. Ramos	—	—
Executive Officers		
Sean Coleman	—	—
Salvatore Faia	—	—
William Goebel	—	—
Zachary Klehr	6,475	*
Brad Marshall	10,078	*
Gerald F. Stahlecker	—	—
Stephen S. Sypherd	—	—
All directors and executive officers as a group (17 persons)	280,488	*

* Represents less than 1.0% of our Shares.

⁽¹⁾ Includes 5,526 Shares held in trust; 9,094 Shares held by spouse in trust; 2,286 Shares held for the benefit of minor children in trust; and 8,068 Shares held in a 401(k) account.

⁽²⁾ Includes 27,861 Shares held in an IRA account; 27,791 Shares held by spouse in an IRA account; and 3,637 Shares held in a joint account with spouse.

To our knowledge, no person beneficially owned more than 5% of the Shares as of April 16, 2014.

Share Repurchase Program; Distribution Reinvestment Plan. The Company's share repurchase program terminated effective as of March 21, 2014. Effective upon the listing of the Shares on the NYSE, on April 16, 2014, the Company's existing amended and restated distribution reinvestment plan ("**Prior DRP**") terminated. On April 14, 2014, our Board of Directors approved the implementation of a new distribution reinvestment plan following the listing of the Shares on the NYSE on terms and conditions to be recommended by management and approved by our Board of Directors. Subject to restrictions under applicable law and the discretion of our Board of Directors, the Company expects the new distribution reinvestment plan to be implemented in connection with the regular monthly cash distribution in June; however, there can be no assurance as to whether or when a new distribution reinvestment plan will be implemented.

Recent Securities Transactions. Based on our records and on information provided to us by our directors, executive officers, affiliates and subsidiaries, other than pursuant to our Prior DRP, none of the Company or any of our directors, executive officers, affiliates or subsidiaries have effected any other transactions involving our Shares during the 60 days prior to April 16, 2014.

Other Interests. Except as otherwise described or incorporated by reference in this Offer to Purchase, the Schedule TO or the Company's Annual Report on Form 10-K for the year ended December 31, 2013, which descriptions are incorporated herein by reference, none of the Company nor, to the best of the Company's knowledge, any of its affiliates, directors or executive officers, is a party to any contract, arrangement, understanding or relationship with any other person relating, directly or indirectly, to the Offer or with respect to any securities of the Company, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations.

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Fractional Shares. In connection with and prior to the listing of the Shares on the NYSE, the Company eliminated all outstanding fractional Shares by rounding up the number of fractional Shares held by each of the Company's stockholders to the nearest whole number of Shares as of April 4, 2014.

11. Effects of the Offer on the Market for Shares; Registration under the Exchange Act

The Offer will reduce our "public float" (the number of Shares owned by non-affiliated stockholders and available for trading in the securities markets), and may to reduce the number of our stockholders. As a result, trading of a relatively small volume of the Shares after consummation of the Offer may have a greater impact on trading prices than would be the case prior to consummation of the Offer.

We believe that there will be a sufficient number of Shares outstanding and publicly traded following completion of the Offer to ensure a continued trading market for the Shares. Based upon published guidelines of the NYSE, we do not believe that our purchase of Shares pursuant to the Offer will cause the remaining outstanding Shares to be delisted from the NYSE. The Offer is conditioned upon, among other things, our determination that the consummation of the Offer and the purchase of Shares pursuant to the Offer is not likely, in our reasonable judgment, to cause the Shares to be (1) held of record by less than 300 persons, (2) delisted from the NYSE or (3) eligible for deregistration under the Exchange Act. See Section 6.

The Shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our stockholders and the SEC and comply with the SEC's proxy rules in connection with meetings of our stockholders. We believe that our purchase of Shares pursuant to the Offer pursuant to the terms of the Offer will not result in the Shares being deregistered under the Exchange Act.

12. Certain Legal Matters; Regulatory Approvals

We are not aware of any license or regulatory permit that is material to our business that might be adversely affected by our acquisition of Shares as contemplated pursuant to the Offer, nor are we aware of any approval or other action by any government or governmental, administrative or regulatory authority, agency or body, domestic, foreign or supranational, that would be required for our acquisition or ownership of Shares as contemplated by the Offer. Should any such approval or other action or notice filings be required, we presently contemplate that we will seek that approval or other action and make or cause to be made such notice filings. We cannot predict whether we will be required to delay the acceptance for payment of or payment for Shares tendered in the Offer pending the outcome of any such approval or other action. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to our business and financial condition. Our obligations pursuant to the Offer to accept for payment and pay for Shares are subject to the satisfaction of certain conditions. See Section 6.

13. Material U.S. Federal Income Tax Consequences

The following is a summary of the material U.S. federal income tax consequences of the Offer to U.S. Holders and Non-U.S. Holders (each as defined below), in each case, whose Shares are tendered and accepted for payment pursuant to the Offer. This summary is based upon the Code, U.S. Treasury Regulations promulgated under the Code, published rulings, administrative pronouncements and judicial decisions, any changes to which could affect the tax consequences described in this Offer (possibly on a retroactive basis). This summary assumes that Shares held by stockholders as capital assets within the meaning of section 1221 of the Code (generally, property held for investment). It does not address all of the tax consequences that may be relevant to particular stockholders in light of their particular circumstances, or to stockholders subject to special rules, including, without limitation, pass-through entities (including arrangements and entities treated as partnerships, "grantor trusts" and S corporations for U.S. federal income tax purposes) and investors in such entities, certain financial institutions, brokers, dealers or traders in securities or commodities, insurance companies, U.S. expatriates, mutual funds, real estate investment trusts, BDCs, cooperatives, trusts and estates, persons who mark-to-market our Shares, tax-exempt organizations, persons who are subject to the alternative minimum tax, persons who hold Shares as a position in a "straddle" or as part of a "hedging" or "conversion" transaction or other integrated investment, stockholders that have a functional currency other than the U.S. dollar, or persons who acquired their Shares upon the exercise of stock options or otherwise as compensation. This summary also does not address any state, local, non-U.S. or other tax consequences of participating in the Offer. This summary assumes that FSIC is and will remain a RIC for U.S. federal income tax purposes for its taxable year which includes each exchange of Shares pursuant to the Offer.

You are urged to consult your tax advisor as to the particular consequences of your participation in the Offer.

For purposes of this discussion, a "U.S. Holder" is a beneficial holder of Shares that, for U.S. federal income tax purposes, is (1) a citizen or individual resident of the United States, (2) a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States or any State or the District of Columbia, (3) an estate,

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the income of which is subject to U.S. federal income taxation regardless of its source, or (4) a trust if (x) a U.S. court is able to exercise primary supervision over its administration and one or more U.S. persons, within the meaning of section 7701(a)(30) of the Code, have authority to control all of its substantial decisions, or (y) it has a valid election in place to be treated as a U.S. person.

A “Non-U.S. Holder” is a beneficial holder of Shares that is not a “pass-through entity” (including a partnership) for U.S. federal income tax purposes and that also is not a U.S. Holder.

U.S. Holders. An exchange of Shares for cash by a U.S. Holder pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder may vary depending upon the U.S. Holder’s particular facts and circumstances. If, as described below, an exchange of Shares for cash by a U.S. Holder pursuant to the Offer is treated as a sale or exchange of such Shares for U.S. federal income tax purposes, the U.S. Holder will generally recognize capital gain or loss in an amount equal to the difference between the amount of cash received and the U.S. Holder’s adjusted tax basis in the Shares purchased by FSIC. Such gain or loss generally will be long-term capital gain or loss if the U.S. Holder’s holding period for the Shares at the time of the exchange exceeds one year. Specific limitations may apply to the deductibility of capital losses by a U.S. Holder. In addition, any loss upon an exchange of Shares by a U.S. Holder for cash pursuant to the Offer who has held the Shares for six months or less, after applying holding period rules, generally will be treated as a long-term capital loss to the extent of distributions received from FSIC that were required to be treated by the U.S. Holder as long-term capital gain.

An exchange of Shares for cash by a U.S. Holder pursuant to the Offer will be treated as a sale or exchange for U.S. federal income tax purposes if the exchange (i) is “not essentially equivalent to a dividend” with respect to the U.S. Holder, (ii) is a “substantially disproportionate” redemption with respect to the U.S. Holder, or (iii) is a “complete redemption” of all Shares owned by the U.S. Holder. In determining whether any of these tests has been met, a U.S. Holder generally must take into account not only Shares it actually owns, but also Shares it constructively owns as determined under section 318 of the Code (including, without limitation, Shares that may be acquired through options that it owns or Shares held by certain members of the U.S. Holder’s family).

An exchange of Shares for cash by a U.S. Holder pursuant to the Offer will be treated as “not essentially equivalent to a dividend” if it results in a “meaningful reduction” in the U.S. Holder’s stock interest in FSIC. Whether such a meaningful reduction of the U.S. Holder’s stock interest in FSIC results will depend on the U.S. Holder’s particular facts and circumstances. If, as a result of an exchange of Shares for cash pursuant to the Offer, a U.S. Holder whose relative stock interest in FSIC is minimal (e.g., less than 1%) and who exercises no control over the corporate affairs of FSIC suffers any reduction in its proportionate stock interest in FSIC (including any Shares constructively owned), the U.S. Holder generally should be regarded as having suffered a meaningful reduction in its stock interest in FSIC. U.S. Holders should note, however, that because other holders may exchange a greater percentage of their Shares for cash pursuant to the Offer than a particular U.S. Holder, the interest in FSIC of a U.S. Holder may increase immediately following the Offer even if both that U.S. Holder exchanges Shares for cash pursuant to the Offer and neither it nor any person whose ownership of Shares is attributed to such U.S. Holder pursuant to the constructive ownership rules described above acquires any other Shares.

Satisfaction of the “substantially disproportionate” test or “complete redemption” test is dependent upon satisfaction of the objective tests respectively set forth in section 302(b)(2) and section 302(b)(3) of the Code. An exchange of Shares for cash by a U.S. Holder pursuant to the Offer will satisfy the “substantially disproportionate” test if (1) the percentage of the outstanding voting shares of FSIC actually and constructively owned by the U.S. Holder immediately following the exchange is less than 80% of the percentage of the outstanding voting shares of FSIC actually and constructively owned by the U.S. Holder immediately before the exchange, (2) the percentage of the outstanding Shares actually and constructively owned by the U.S. Holder immediately following the exchange is less than 80% of the percentage of the outstanding Shares actually and constructively owned by the U.S. Holder immediately before the exchange, and (3) immediately following the exchange, the U.S. Holder actually and constructively owns less than 50% of the total combined voting power of all classes of voting shares of FSIC.

An exchange of Shares for cash by a U.S. Holder pursuant to the Offer generally will result in a “complete redemption” if either (i) all of the Shares actually and constructively owned by the U.S. Holder are exchanged for cash pursuant to the Offer or (ii) all of the Shares actually owned by the U.S. Holder are exchanged for cash pursuant to the Offer, the U.S. Holder constructively holds Shares solely as a result of the constructive ownership rules relating “family attribution,” the U.S. Holder timely and properly waives the attribution of those Shares constructively owned by the U.S. Holder in accordance with the procedures described in section 302(c)(2) of the Code and the Treasury Regulations promulgated thereunder, and complies with certain other requirements relating to share ownership in FSIC. U.S. Holders desiring to waive such constructive ownership of Shares should consult their tax advisors about the applicability of section 302(c)(2) of the Code in their particular circumstances.

U.S. Holders should be aware that an acquisition or disposition of Shares (including by persons whose ownership of outstanding Shares is attributed to a U.S. Holder pursuant to the constructive ownership rules described above) as part of a plan that includes the U.S. Holder’s tender of Shares pursuant to the Offer should be taken into account in determining whether any of the foregoing tests is

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satisfied. U.S. Holders are urged to consult their tax advisors with regard to whether acquisitions from or sales to third parties and a tender may be so integrated. U.S. Holders should also be aware that their ability to satisfy any of the foregoing tests may be affected by proration pursuant to the Offer. **Therefore, the U.S. Holder can be given no assurance, even if the U.S. Holder tenders all of the U.S. Holder's Shares, that we will purchase a sufficient number of such Shares to permit the stockholder to satisfy any of the foregoing tests. The application of section 302 of the Code is complex. U.S. Holders intending to rely on any of the tests described above should consult their tax advisors to determine the application of these rules in their particular circumstances.**

If a U.S. Holder's exchange of Shares for cash pursuant to the Offer does not constitute a sale or exchange for U.S. federal income tax purposes, the receipt of cash by such U.S. Holder pursuant to the Offer will be treated as a distribution by FSIC to such U.S. Holder, and the U.S. Holder's adjusted tax basis in the Shares exchanged generally will be added to any Shares retained by the U.S. Holder. If the exchanging U.S. Holder owns no other Shares, under certain circumstances, such basis may be transferred to a related person, or it may be lost entirely. The distribution will be treated as a dividend to the extent of FSIC's current and accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent that the amount of the distribution exceeds FSIC's current and accumulated earnings and profits, the excess first will be treated as a return of capital that will reduce the U.S. Holder's adjusted tax basis in its Shares, and any remaining portion will be taxable as capital gain. Any distributions that are designated as capital gains dividends will be taxed to U.S. Holders as long-term capital gains, to the extent that they do not exceed the actual net capital gain of FSIC for the taxable year; without regard to the period for which the U.S. Holder has held its Shares. Any such capital gain will be long-term capital gain if the U.S. Holder's holding period for the Shares at the time of the exchange exceeds one year. In light of our investment strategies, dividend income received by a U.S. Holder will generally be taxed at ordinary income rates of up to 39.6%. Dividend income from us will generally not be eligible for the preferential tax rate on "qualified dividend income" received by U.S. Holders taxed at individual rates from domestic C corporations and certain qualified foreign corporations, except to the extent such dividend income is attributable to dividends received by us from certain non-BDC corporations or to income upon which we have paid corporate income tax. Additionally, dividends received by U.S. Holders who are corporations will not qualify for the dividends received deduction generally available to corporations. In addition, if a U.S. Holder's exchange of Shares for cash pursuant to the Offer is treated as a dividend to a tendering stockholder, the IRS may take the position that a constructive distribution under section 305(c) of the Code may result to a stockholder whose proportionate interest in the earnings and assets of FSIC has been increased by such tender. Stockholders are urged to consult their own tax advisors regarding the possibility of deemed distributions resulting from the sale of Shares pursuant to the Offer.

Notwithstanding the foregoing, the IRS has proposed Treasury regulations that would require the basis reduction associated with a redemption or repurchase (such as pursuant to the Offer) that is taxed as a distribution to be applied on a "share-by-share" basis, which could result in taxable income with respect to some Shares, even though the U.S. Holder's aggregate basis for the Shares would be sufficient to absorb the entire redemption distribution. In addition, these proposed Treasury regulations would not permit the transfer of basis in the exchanged Shares to the remaining Shares held (directly or indirectly) by the exchanging U.S. Holder. Instead, the unrecovered basis in such Shares would be treated as a deferred loss to be recognized when certain conditions are satisfied. These proposed Treasury regulations would be effective for transactions that occur after the date the regulations are published as final Treasury regulations. There can, however, be no assurance as to whether, when, and in what particular form such proposed Treasury regulations will ultimately be finalized, and whether any such final regulations would apply to an exchange of Shares pursuant to the Offer. Accordingly, such proposed Treasury regulations may apply to U.S. Holders exchanging Shares pursuant to the Offer.

Contemporaneous acquisitions or dispositions of Shares by a U.S. Holder or related parties or entities may be deemed to be part of a single integrated transaction and may be taken into account in determining the tax treatment of the Offer to a U.S. Holder. In addition, we cannot predict whether or the extent to which the Offer will be over-subscribed. If the Offer is over-subscribed, proration of tenders pursuant to the Offer will cause us to accept fewer Shares than are tendered. Therefore, a U.S. Holder can be given no assurance that a sufficient number of such U.S. Holder's Shares will be purchased pursuant to the Offer to ensure that such purchase will be treated as a sale or exchange, rather than as a distribution, for U.S. federal income tax purposes pursuant to the rules discussed above.

Non-U.S. Holders. As discussed above, an exchange of Shares for cash by a Non-U.S. Holder will either be treated as a sale or exchange (if the tests described above with respect to U.S. Holders are satisfied) or, alternatively, a distribution for U.S. federal income tax purposes. Any payments to a Non-U.S. Holder that are treated as dividends for U.S. federal income tax purposes under the rules set forth above, will generally be subject to U.S. withholding tax at the rate of 30% (unless a reduced rate applies under an applicable tax treaty). A tendering Non-U.S. Holder who realizes a capital gain on a tender of Shares will generally not be subject to U.S. federal income tax on such gain, unless the stockholder is an individual who is physically present in the United States for 183 days or more and certain other conditions exist. Such persons are advised to consult their own tax advisor. Special rules may apply in the case of Non-U.S. Holders (i) that are engaged in a U.S. trade or business, (ii) that are former citizens or residents of the U.S. or (iii) that have a special status for U.S. federal tax purposes, such as "controlled foreign corporations," corporations that accumulate earnings to avoid U.S. federal income tax, and certain foreign charitable organizations. Such persons are advised to consult their own tax advisor.

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For withholding purposes, we expect to treat each exchange of Shares for cash pursuant to the Offer by a Non-U.S. Holder as being a distribution for U.S. federal income tax purposes (and not as a sale or exchange) that is made out of our current or accumulated earnings and profits. As a result, the Depositary generally will withhold an amount of U.S. federal income tax equal to 30% of the gross payments payable to a Non-U.S. Holder, unless the Non-U.S. Holder timely delivers to the Depositary a properly completed and executed IRS Form W-8BEN, W-8IMY (with any required attachments), W-8ECI, or W-8EXP, as applicable, evidencing that such withholding is not required or a reduced rate of withholding (for instance, pursuant to an applicable income tax treaty) is applicable. However, amounts withheld may be refundable if, for instance, it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits, or that the exchange of Shares by such Non-U.S. Holder was treated as an exchange of such Shares for U.S. federal income tax purposes (and not as a distribution for U.S. federal income tax purposes), provided that certain conditions are met.

The preceding discussion is not tax advice. You are urged to consult your tax advisor to determine the particular tax consequences to you of the Offer, including the applicability and effect of U.S. federal, state, local, non-U.S. and other tax laws.

14. Extension of the Offer; Termination; Amendment

Subject to applicable law and any rules and regulations promulgated by the SEC, we expressly reserve the right, in our sole discretion, at any time and from time to time, and regardless of whether any of the events set forth in Section 6 shall have occurred or shall be deemed by us to have occurred, to extend the period of time the Offer is open and delay acceptance for payment of, and payment for, any Shares by giving oral or written notice of such extension to the Depositary and Paying Agent and making a public announcement of such extension. We also expressly reserve the right, in our sole discretion, to terminate the Offer and reject for payment, and not pay for, any Shares not theretofore accepted for payment or paid for or, subject to applicable law, postpone payment for Shares, if any of the conditions specified in Section 6 are not satisfied or waived prior to the Expiration Date, by giving oral or written notice of such termination or postponement to the Depositary and Paying Agent and making a public announcement of such termination or postponement. Our reservation of the right to delay payment for Shares that we have accepted for payment is limited by Rule 13e-4(f)(5) and Rule 14e-1(c) promulgated under the Exchange Act, which require that we must pay the consideration offered or return the Shares tendered promptly after termination or withdrawal of the Offer.

Subject to compliance with applicable law, we further reserve the right, in our sole discretion, to amend the Offer in any respect (including, without limitation, by decreasing or increasing the consideration offered pursuant to the Offer to stockholders or by decreasing or increasing the aggregate value of Shares being sought in the Offer). Amendments to the Offer may be made at any time and from time to time by public announcement of such amendments. In the case of an extension, the notice of the amendment must be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced Expiration Date. Any public announcement made pursuant to the Offer will be disseminated promptly to stockholders in a manner reasonably designed to inform stockholders of such change. Without limiting the manner in which we may choose to make a public announcement, except as required by applicable law, we shall have no obligation to publish, advertise or otherwise disseminate any such public announcement other than by issuing a press release.

If we materially change the terms of the Offer or the information concerning the Offer, or if we waive a material condition of the Offer, we will extend the Offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. If:

- i we increase or decrease the price to be paid for Shares; and
- i the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that notice of such an increase or decrease is first published, sent or given to stockholders in the manner specified in this Section 14,

then the Offer will be extended until the expiration of the period of 10 business days. For purposes of the Offer, a "business day" means any day other than a Saturday, Sunday or federal holiday and consists of the time period from 12:01 a.m. through 12:00 Midnight, New York City time.

In accordance with the rules promulgated by the SEC, we may increase the number of Shares accepted for payment in the Offer by up to 2% of the outstanding Shares without amending or extending the Offer.

15. Fees and Expenses

We have retained Wells Fargo Securities, LLC to act as the Dealer Manager in connection with the Offer. In their role as Dealer Manager, Wells Fargo Securities, LLC may contact brokers, dealers and other nominee stockholders and may provide information regarding the Offer to those that it contacts or persons, including any institutional stockholders, that contact it. Wells Fargo Securities, LLC will receive, for these services, a reasonable and customary fee. We also have agreed to reimburse Wells Fargo Securities, LLC for reasonable out-of-pocket expenses incurred in connection with the Offer and to indemnify Wells Fargo Securities, LLC against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws. Wells Fargo Securities, LLC has in the past provided, and in the future may provide, capital markets advice to FSIC, for which services it has received, and would expect to receive, compensation from us. In the ordinary course of business, including in its trading and brokerage operations and in a fiduciary capacity, Wells Fargo Securities, LLC and its affiliates may enter into, exit or hold positions, both long and short, for its own accounts and for those of its customers, in our securities.

We have retained Computershare Trust Company, N.A. to act as the Depositary and Paying Agent in connection with the Offer. In its role as Depositary, it will receive Letters of Transmittal, Notices of Guaranteed Delivery and Notices of Withdrawal. In its role as Paying Agent, it will be responsible for receiving tenders through the DTC's ATOP system, determining the Purchase Price and proration factor, if any, and matching payment for all Shares purchased by the Company in the Offer. Computershare Trust Company, N.A. will receive reasonable and customary compensation for its services, will be reimbursed by us for reasonable out-of-pocket expenses incurred in connection with the Offer and will be indemnified against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws.

We have retained Georgeson Inc. to act as the Information Agent in connection with the Offer. In its role as Information Agent, Georgeson Inc. may contact stockholders by mail, telephone, facsimile, e-mail and personal interviews and may request brokers, dealers and other nominee stockholders to forward materials relating to the Offer to beneficial owners. Georgeson Inc. may also provide information regarding the Offer to those persons, including retail stockholders, that contact it. Georgeson Inc. will receive reasonable and customary compensation for its services, will be reimbursed by us for reasonable out-of-pocket expenses incurred in connection with the Offer and will be indemnified against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws.

We will not pay any fees or commissions to brokers, dealers or other persons (other than fees to the Dealer Manager, the Paying Agent, the Depositary and the Information Agent as described above) for soliciting tenders of Shares pursuant to the Offer. Stockholders holding Shares through brokers, dealers or other nominee stockholders are urged to consult their brokers, dealers or other nominee stockholders to determine whether transaction costs may apply if stockholders tender Shares through the brokers, dealers or other nominee stockholders and not directly to the Depositary. We will, however, upon request, reimburse brokers, dealers and commercial banks for customary mailing and handling expenses incurred by them in forwarding the Offer and related materials to the beneficial owners of Shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as our agent, or the agent of FB Advisor, GDFM, the Dealer Manager, the Paying Agent, the Depositary or the Information Agent for purposes of the Offer. We will pay or cause to be paid all stock transfer taxes, if any, on our purchase of Shares, except as otherwise provided in Section 5 hereof.

16. Miscellaneous

We are not aware of any jurisdiction where the making of the Offer is prohibited by any administrative or judicial action pursuant to any valid state statute. If we become aware of any valid state statute prohibiting the making of the Offer or the acceptance of the Shares, we will make a good faith effort to comply with that state statute or seek to have such statute declared inapplicable to the Offer. If, after a good faith effort, we cannot comply with the state statute, we will not make the Offer to, nor will we accept tenders from or on behalf of, the holders of Shares in that state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on our behalf by the Dealer Manager or by one or more registered brokers or dealers licensed under the laws of that jurisdiction.

Pursuant to Rule 13e-4(c)(2) promulgated under the Exchange Act, we have filed with the SEC the Schedule TO, which contains additional information relating to the Offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in Section 9 with respect to information concerning FSIC.

We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your Shares in the Offer or as to the price or prices at which you may choose to tender your Shares in the Offer. You should rely only on the information in or incorporated by reference in this Offer to

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Purchase and the Letter of Transmittal or in the other documents to which we have referred you. Our delivery of this Offer to Purchase shall not under any circumstances create any implication that the information in this Offer to Purchase is correct as of any time other than the date of this Offer to Purchase or that there have been no changes in the information in or incorporated by reference herein or in the affairs of FSIC or any of its subsidiaries since the date hereof. We have not authorized anyone to provide you with information in connection with the Offer other than the information in this Offer to Purchase or the Letter of Transmittal. If anyone makes any recommendation or gives any information, you must not rely upon that recommendation or information as having been authorized by us, any member of our Board of Directors, FB Advisor, GDFM, the Dealer Manager, the Paying Agent, the Depositary or the Information Agent or any of our or their respective affiliates.

FS Investment Corporation

April 16, 2014

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The Letter of Transmittal and any other required documents should be sent or delivered by each stockholder of the Company or its, his or her broker, dealer, commercial bank, trust company or other nominee to the Depository as follows:

The Depository and Paying Agent for the Offer is:

Computershare

By registered, certified, express or first class mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, RI 02940

By overnight courier:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street Suite V
Canton, MA 02021

Facsimile (for withdrawals only): (617) 360-6810

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

If you have any questions regarding the Offer, please contact the Dealer Manager at the address or telephone number set forth below (institutional stockholders) or the Information Agent at the address or telephone number set forth below (retail stockholders). If you require additional copies of this Offer to Purchase, the Letter of Transmittal or the other documents related to the Offer, please contact the Information Agent at the address and telephone number set forth below. The Information Agent will promptly furnish to stockholders additional copies of these materials at the Company's expense. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Dealer Manager for the Offer is:

Wells Fargo Securities, LLC

375 Park Avenue
New York, New York 10152
Call: (212) 214-6400
Call Toll Free: (877) 450-7515

The Information Agent for the Offer is:

Georgeson

480 Washington Blvd., 26th Floor
Jersey City, NJ 07310
(888) 566-3252 (Toll Free) or
via email at fsinvestment@georgeson.com

**Banks and Brokerage Firms please call:
(800) 223-2064**

LETTER OF TRANSMITTAL
To Tender Shares of Common Stock
Pursuant to the Offer to Purchase
Dated April 16, 2014

by

FS Investment Corporation

of

Up to \$250,000,000 in Value of its Shares of Common Stock
at a Purchase Price Not Greater Than \$11.00
or Less Than \$10.35 Per Share

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY 28, 2014, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN (SUCH TIME AND DATE, AS THEY MAY BE EXTENDED, THE "EXPIRATION DATE").

The Depository and Paying Agent for the Offer is:

Computershare

By registered, certified, express or first class mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, RI 02940

By overnight courier:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street Suite V
Canton, MA 02021

Facsimile (for withdrawals only): (617) 360-6810

If you have any questions or need assistance in completing this Letter of Transmittal, please contact Georgeson Inc., the information agent for this Offer (the "**Information Agent**"), at (888) 566-3252 (Toll Free) or via email at fsinvestment@georgeson.com; Banks and Brokerage Firms please call: (800) 223-2064.

DELIVERY OF THIS LETTER OF TRANSMITTAL OR OTHER DOCUMENTS TO AN ADDRESS OTHER THAN THE ADDRESS (OR, SOLELY WITH RESPECT TO WITHDRAWALS, FACSIMILE NUMBER) OF THE DEPOSITARY AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY.

THE OFFER TO PURCHASE AND THIS LETTER OF TRANSMITTAL, INCLUDING THE ACCOMPANYING INSTRUCTIONS, SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

Stockholders who cannot comply with the procedure for book-entry transfer by the Expiration Date or who cannot deliver the required documents to the Depository by the Expiration Date must tender their shares of common stock, par value \$0.001 per share ("**Shares**"), according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

PLEASE NOTE:

Prior to tendering Shares, we strongly recommend that you contact your financial advisor. As part of the listing of the Shares on the New York Stock Exchange LLC, some, but not all, of the registered accounts will automatically be transferred to broker-dealer Shares held in "street" name. Tendering of shares transferred to a broker-dealer may require different documentation than what is enclosed. You will need to consult with your broker and your financial advisor to determine the status of your account and the best way to tender your Shares, should you desire to do so. No fractional Shares will be purchased in the Offer.

If a broker, dealer, commercial bank, trust company or other nominee holds your Shares, it is likely that they will have an earlier deadline for you to act to instruct them to accept the Offer on your behalf. We urge you to contact the nominee that holds your Shares to find out its deadline.

Ladies and Gentlemen:

I/we, the undersigned, hereby tender to FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "**Company**"), the number of shares of common stock, par value \$0.001 per share (the "**Shares**"), identified below at the price per share indicated in this Letter of Transmittal (this "**Letter of Transmittal**"), net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated April 16, 2014 (the "**Offer to Purchase**"), and in this Letter of Transmittal (which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**"). The Offer will expire at 5:00 P.M., New York City time, on May 28, 2014, unless the Offer is extended or withdrawn.

Subject to and effective on acceptance for payment of, and payment for, the Shares tendered with this Letter of Transmittal in accordance with, and subject to, the terms of the Offer, I/we hereby sell, assign and transfer to, or upon the order of, the Company, all right, title and interest in and to all of the Shares that are being tendered hereby, subject to the proration provisions of the Offer, and irrevocably constitute and appoint Computershare Trust Company, N.A., the paying agent for the Offer (the "**Paying Agent**"), the true and lawful agent and attorney-in-fact of the undersigned, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to the full extent of my/our rights with respect to the tendered Shares, to (a) transfer ownership of the Shares on the account books maintained by The Depository Trust Company ("**DTC**") or registered on the stock ledger maintained by the Company's transfer agent, together, in any such case, with all accompanying evidences of transfer and authenticity to, or upon the order of the Company, (b) present such Shares for transfer on the Company's stock ledger, and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms and subject to the conditions of the Offer.

I/we certify that I/we have complied with all requirements as stated in the instructions on the reverse side, am/are the registered holder(s) of the Shares identified below, and give the instructions in this Letter of Transmittal and warrant that I/we have full power and authority to tender, sell, assign and transfer the tendered Shares and the Shares identified below are free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, provided that any dividends or distributions which may be declared, paid, issued, distributed, made or transferred on or in respect of such Shares to stockholders of record on or prior to the date on which the Shares are taken up and paid for pursuant to the Offer shall be for the account of such stockholders.

I/we hereby represent and warrant that the transfer and assignment contemplated in this Letter of Transmittal are in compliance with all applicable laws and regulations. I/we will, on request by the Depository or the Company, execute any additional documents deemed by the Depository or the Company to be necessary or desirable to complete the sale, assignment and transfer of the tendered Shares, all in accordance with the terms of the Offer. I/we make the representations and warranties to the Company set forth in Section 3 of the Offer to Purchase and understand that the tender of Shares made hereby constitutes an acceptance of the terms and conditions of the Offer (including if the Offer is extended or amended, the terms and conditions of such extension or amendment).

I/we understand that the tender of Shares constitutes a representation and warranty to the Company that the undersigned has/have a NET LONG POSITION in the Shares or other securities exercisable or exchangeable therefore and that such tender complies with Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). I/we authorize the Company to withhold all applicable taxes and tax-related items legally payable by the signatory hereto.

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall be binding on the successors, assigns, heirs, personal representatives, executors, administrators and other legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned.

NOTE: ORIGINAL SIGNATURE MUST BE PROVIDED ON THE FOLLOWING PAGE—SEE BOX 9.

(1) Account Name(s) As Currently Registered (Please Print)

(2) Account Number

(3) Social Security or Tax ID Number

(4) Total Number of Shares you own:

(5) Total Number of Whole Shares you are tendering:

(6) PRICE(S) (IN U.S. DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

IF NO BOX IS CHECKED, THERE IS NO PROPER TENDER OF SHARES

(You may tender all or a portion of your Shares at the different prices listed below by checking the box(es) that correspond(s) to the price or prices per Share at which you want to tender your Shares and specifying the number of your Shares that you wish to tender at each applicable price.)

By checking one or more of the following boxes to the right, you are tendering Shares at the price(s) checked. This election could result in none of your Shares being purchased if the purchase price selected by the Company for the Shares is less than the price(s) checked below. You may tender all or a portion of your Shares at the different prices listed to the right by checking the box(es) that correspond(s) to the price or prices per Share at which you want to tender your Shares and specifying the number of your Shares that you wish to tender at each applicable price. (See Section 3 of the Offer to Purchase and Instruction 4 to this Letter of Transmittal.)

Price(s) at Which Shares are Tendered

- Price \$10.35
- Price \$10.40
- Price \$10.45
- Price \$10.50
- Price \$10.55
- Price \$10.60
- Price \$10.65
- Price \$10.70
- Price \$10.75
- Price \$10.80
- Price \$10.85
- Price \$10.90
- Price \$10.95
- Price \$11.00

Number of Whole Shares Tendered at Applicable Price

Total Number of Shares Tendered (cannot exceed the total number of Shares you own)

(7) Special Payment Instructions

To be completed ONLY if the check for the purchase price of Shares is to be issued in the name of someone other than the signatory(ies) below, or if Shares tendered hereby and delivered by book-entry transfer which are not purchased are to be returned by crediting them to an account other than the account designated above in Section 2.

Name (Please Print First, Middle & Last Name)

(Address)

(Account Number)

(Social Security or Tax ID Number)

Signature Guarantee Medallion

(Title of Officer Signing this Guarantee)

(Name of Guarantor—Please Print)

(Address of Guarantor Firm)

(8) Special Delivery Instructions

To be completed ONLY if the check for the purchase price of Shares purchased is to be mailed to someone other than the signatory(ies) below or to the signatory(ies) below at an address other than that set forth above.

Name (Please Print First, Middle & Last Name)

(Address)

(Area Code and Telephone Number)

(Social Security or Tax ID Number)

(9) Signature: This form must be signed by the registered holder(s) exactly as their name(s) appear(s) below or by person(s) authorized to sign on behalf of the registered holder(s) by documents transmitted herewith. Please note facsimile signatures will not be accepted.

<input checked="" type="checkbox"/> _____ Signature of Stockholder	_____ Date	_____ Area Code and Telephone Number
<input checked="" type="checkbox"/> _____ Signature of Stockholder	_____ Date	_____ Area Code and Telephone Number

U.S. Federal Withholding Tax. PLEASE COMPLETE AND SUBMIT THE ACCOMPANYING IRS FORM W-9 TO CERTIFY YOUR TAXPAYER ID OR (IF DIFFERENT) SOCIAL SECURITY NUMBER IF YOU ARE A U.S. HOLDER (AS DEFINED IN SECTION 13 OF THE OFFER TO PURCHASE). Please note that the Paying Agent may withhold 28% of your proceeds as required by the IRS if the Taxpayer ID or Social Security Number is not properly certified on our records. If you are a Non-U.S. Holder (as defined in Section 13 of the Offer to Purchase), please complete and submit an IRS Form W-8BEN, W-8IMY (with any required attachments), W-8ECI, or W8EXP, as applicable (which may be obtained from the IRS website). Additionally, as described in more detail in Section 13 of the Offer to Purchase, the Depository (as defined in the Offer to Purchase) generally will withhold an amount of U.S. federal income tax equal to 30% of the gross payments payable to a Non-U.S. Holder. Non-U.S. Holders should refer to "13. Material U.S. Federal Income Tax Consequences—Non-U.S. Holders" in the Offer to Purchase for a general description of the applicability of withholding tax to proceeds from the Offer.

INSTRUCTIONS FOR COMPLETING THE LETTER OF TRANSMITTAL

1. *Signature Guarantee.* No signature guarantee is required on this Letter of Transmittal if either (a) this Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Instruction 1, includes any participant in the book-entry transfer facility's system whose name appears on a security position listing as the owner of the Shares) of Shares tendered herewith, unless such registered holder(s) has completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) Shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program, the New York Stock Exchange, Inc. Medallion Signature Program, the Stock Exchange Medallion Program, or an "eligible guarantor institution," as the term is defined in Rule 17Ad-15 promulgated under the Exchange Act (each of the foregoing constituting an "eligible institution"). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an eligible institution.
2. *Requirements of Tender.* For a stockholder validly to tender Shares pursuant to the Offer, either (a) this Letter of Transmittal, properly completed and duly executed (or an originally signed photocopy hereof), together with any required signature guarantees, or an Agent's Message, and any other required documents, must be received by the Depository at its address set forth on the back of this Letter of Transmittal prior to the Expiration Date and the Shares must be delivered pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase, in each case prior to the Expiration Date, or (b) the tendering stockholder must comply with the guaranteed delivery procedures set forth below and in Section 3 of the Offer to Purchase.

Stockholders who cannot comply with the procedure for book-entry transfer by the Expiration Date or who cannot deliver the required documents to the Depository by the Expiration Date may tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

The method of delivery of all documents, including this Letter of Transmittal and any other required documents, including delivery through DTC, is at the sole election and risk of the tendering stockholder. Shares will be deemed delivered only when actually received by the Depository (including by book-entry confirmation). If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery prior to the expiration of the Offer. No conditional tenders will be accepted. No fractional Shares will be purchased. All tendering stockholders, by execution of this Letter of Transmittal (or an originally signed photocopy hereof), waive any right to receive any notice of the acceptance for payment of their Shares.
3. *Signatures on Letter of Transmittal, Stock Powers and Endorsements.* If any of the Shares tendered hereby are owned of record by two or more joint owners, all such persons must sign this Letter of Transmittal. If this Letter of Transmittal or any certificate or stock power is signed by a director, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, he or she should so indicate when signing, and provide a signature guarantee as described in Instruction 1, or in lieu of a signature guarantee proper evidence satisfactory to the Company of his or her authority to so act, signature guarantee or proper evidence must be submitted with this Letter of Transmittal.
4. *Indication of Price(s) at which Shares are being Tendered.* If you want to tender your Shares at a specific price or prices within the \$10.35 to \$11.00 range, you must check the price box(es) corresponding to the price(s) at which you wish to tender your Shares in Section 6 of this Letter of Transmittal, which is called "Price(s) (in U.S. Dollars) per Share at Which Shares are Being Tendered." You must check at least one box in the pricing section. If you want to tender portions of your Shares at more than one price, you must check the boxes that correspond to the prices per Share at which you want to tender your Shares and specify the number of your Shares that you wish to tender at each applicable price. However, the same Shares cannot be tendered at more than one price, unless previously and properly withdrawn as provided in Section 4 of the Offer to Purchase.
5. *Stock Transfer Taxes.* The Company will pay any stock transfer taxes with respect to the transfer and sale of Shares to it pursuant to the Offer. If, however, payment of the purchase price is to be made to, or if Shares not tendered or accepted for payment are to be registered in the name of, any person(s) other than the registered owner(s), or if Shares tendered hereby are registered in the name(s) of any person(s) other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered owner(s) or such person(s)) payable on account of the transfer to such person(s) will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted with this Letter of Transmittal.
6. *Special Payment and Delivery Instructions.* Unless otherwise indicated under "Special Payment Instructions," the check for the purchase price of any Shares purchased will be issued in the name(s) of the signatory(ies) above, and any Shares tendered hereby and delivered by book-entry transfer which are not purchased will be returned by crediting them to the account provided in Section 2. Similarly, unless otherwise indicated under "Special Delivery Instructions," the check for the purchase price of any

Shares purchased will be mailed to the signatory(ies) above at the address set forth above. If a check is to be issued in the name(s) of a person(s) other than the registered holder, if Shares tendered hereby and delivered by book-entry transfer are not purchased and are to be credited to an account other than as provided above in Section 2, or if a check is to be mailed to someone other than the registered holder or to an address other than that shown on this Letter of Transmittal, signature guarantees are required. See Sections 7 and 8.

7. *Irregularities.* The Company will determine in its sole discretion the number of Shares to accept, and the validity, eligibility and acceptance for payment of any tender, and the Company's determinations will be final and binding on all parties, except as finally determined in a subsequent judicial proceeding if the Company's determinations are challenged by stockholders. There is no obligation to give notice of any defects or irregularities to stockholders. See Section 3 of the Offer to Purchase for additional information.
8. *Withholding Taxes.* **PLEASE COMPLETE AND SUBMIT THE ACCOMPANYING IRS FORM W-9 TO CERTIFY YOUR TAXPAYER ID OR SOCIAL SECURITY NUMBER IF YOU ARE A U.S. HOLDER (AS DEFINED IN SECTION 13 OF THE OFFER TO PURCHASE).** Please note that the Paying Agent may withhold 28% of your proceeds as required by the IRS if the Taxpayer ID or Social Security Number is not properly certified on our records. If you are a Non-U.S. Holder (as defined in Section 13 of the Offer to Purchase), please complete and submit an IRS Form W-8BEN, W-8IMY (with any required attachments), W-8ECI, or W8EXP, as applicable (which may be obtained from the IRS website (www.irs.gov)).
9. *Inadequate Space.* If the space provided in Sections 4 and 5 of this Letter of Transmittal is inadequate, the number of Shares should be listed on a separated signed schedule attached hereto.
10. *Requests for Assistance or Additional Copies.* Questions and requests for assistance or additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and the Guidelines for Certification of Taxpayer Identification Number on Form W-9 may be directed to the Information Agent at its address set forth on the last page of this Letter of Transmittal.

IMPORTANT U.S. TAX INFORMATION

This is a summary of certain material U.S. federal income tax considerations. Stockholders should consult with their tax advisors regarding the tax consequences with respect to their particular circumstances.

In order to avoid backup withholding of U.S. federal income tax on payments pursuant to the Offer, a U.S. Holder (as defined in Section 13 of the Offer to Purchase) tendering Shares must, unless an exemption applies, timely provide the Paying Agent with such stockholder's correct taxpayer identification number ("**TIN**"), certify under penalties of perjury that such TIN is correct (or that such stockholder is waiting for a TIN to be issued), and provide certain other certifications by completing the IRS Form W-9 accompanying this Letter of Transmittal. If a stockholder does not provide his, her or its correct TIN or fails to provide the required certifications, the IRS may impose certain penalties on such stockholder and payment to such stockholder pursuant to the Offer may be subject to U.S. federal backup withholding tax at a rate currently equal to 28%. All U.S. Holders tendering Shares pursuant to the Offer should complete and sign the IRS Form W-9 to provide the information and certification necessary to avoid U.S. federal backup withholding tax (unless an applicable exemption exists and is proved in a manner satisfactory to the Paying Agent). To the extent that a U.S. Holder designates another U.S. person to receive payment, such other person may be required to provide a properly completed IRS Form W-9.

Backup withholding is not an additional tax. Rather, the amount of the backup withholding may be credited against the U.S. federal income tax liability of the person subject to the backup withholding. If backup withholding results in an overpayment of tax, a refund can be obtained by the stockholder by timely providing the required information to the IRS.

If the stockholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future, then the stockholder should write "APPLIED FOR" in the space for the TIN in Part I of the IRS Form W-9 and should sign and date the IRS Form W-9. If the Paying Agent has not been provided with a properly certified TIN by the time of payment, U.S. federal backup withholding tax will apply. If the Shares are held in more than one name or are not in the name of the actual owner, consult the instructions on the IRS Form W-9 for additional guidance on which name and TIN to report.

Certain stockholders (including, among others, "C corporations," individual retirement accounts and certain foreign individuals and entities) are not subject to U.S. federal backup withholding tax but may be required to provide evidence of their exemption from such backup withholding tax. Exempt U.S. stockholders should check the "Exempt payee" box on the IRS Form W-9. See the accompanying IRS Form W-9 for more instructions.

Non-U.S. Holders, such as non-resident alien individuals and foreign entities, including a disregarded U.S. domestic entity that has a foreign owner, should not complete an IRS Form W-9. Instead, to establish an applicable withholding exemption, a Non-U.S. Holder (or a stockholder's non-U.S. designee, if any) may be required to properly complete and submit an IRS Form W-8BEN, W-8IMY (with any required attachments), W-8ECI, or W-8EXP, as applicable, signed under penalties of perjury, attesting to such exempt status (which may be obtained on the IRS website (www.irs.gov)).

For withholding purposes, we expect to treat each exchange of Shares for cash pursuant to the Offer by a Non-U.S. Holder as a dividend for U.S. federal income tax purposes (and not as a sale or exchange). As a result, the Depositary generally will withhold an amount of U.S. federal income tax equal to 30% of the gross payments payable to a Non-U.S. Holder. Non-U.S. Holders should refer to "13. Material U.S. Federal Income Tax Consequences—Non-U.S. Holders" in the Offer to Purchase for a general description of the applicability of withholding tax to proceeds from the Offer.

Stockholders are urged to consult their tax advisors to determine whether they are exempt from these withholding tax and reporting requirements.

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)	
Business name/disregarded entity name, if different from above	
Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) <u> </u> <input type="checkbox"/> Other (see instructions) <u> </u>	Exemptions (see instructions): Exempt payee code (if any) <u> </u> Exemption from FATCA reporting code (if any) <u> </u>
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number										
Employer identification number										

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person <u> </u>	Date <u> </u>
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

What is FATCA reporting? The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Note. Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

Exempt payee code. Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for...	THEN the payment is exempt for...
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

This Letter of Transmittal and any other required documents should be sent or delivered by each stockholder of the Company or such stockholder's broker, dealer, commercial bank, trust company or other nominee to the Depository at its address set forth below (photocopied forms with original signatures may be used to tender Shares, facsimile signatures will not be accepted).

The Depository and Paying Agent for the Offer is:

Computershare

By registered, certified, express or first class mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, RI 02940

By overnight courier:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street Suite V
Canton, MA 02021

Facsimile (for withdrawals only): (617) 360-6810

Delivery of this Letter of Transmittal to an address other than as set forth above will not constitute a valid delivery to the Depository.

If you have any questions regarding the Offer, please contact the Dealer Manager (institutional stockholders) or the Information Agent (retail stockholders) at the telephone numbers and addresses set forth below. Additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent, which may be contacted at the address and telephone number set forth below. You may also contact your bank, broker, dealer, trust company or other nominee for assistance concerning the Offer.

The Dealer Manager for the Offer is:

Wells Fargo Securities, LLC

375 Park Avenue
New York, New York 10152
Call: (212) 214-6400
Call Toll Free: (877) 450-7515

The Information Agent for the Offer is:

Georgeson

480 Washington Blvd., 26th Floor
Jersey City, NJ 07310
(888) 566-3252 (Toll Free) or
via email at fsinvestment@georgeson.com

**Banks and Brokerage Firms please call:
(800) 223-2064**

NOTICE OF GUARANTEED DELIVERY

(Not to be used for Signature Guarantee)
for
Tender of Shares of Common Stock
of

FS Investment Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY 28, 2014, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN (SUCH DATE AND TIME, AS THEY MAY BE EXTENDED, THE "EXPIRATION DATE").

As set forth in Section 3 of the Offer to Purchase (as defined below), this form must be used to accept the Offer (as defined below), if (1) the procedures for book-entry transfer described in the Offer to Purchase and the Letter of Transmittal (as defined below) cannot be completed on a timely basis or (2) time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal, to reach the Depository prior to the Expiration Date.

This form, signed and properly completed, may be delivered by hand, mail or overnight courier to Computershare Trust Company, N.A., the depository for the Offer (the "**Depository**"). See Section 3 of the Offer to Purchase. All capitalized terms used and not defined herein shall have the same meanings as in the Offer to Purchase.

The Depository and Paying Agent for the Offer is:

Computershare

By registered, certified, express or first class mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, RI 02940

By overnight courier:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street Suite V
Canton, MA 02021

Facsimile (for withdrawals only): (617) 360-6810

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

For this Notice of Guaranteed Delivery to be validly delivered, it must be received by the Depository at the above address prior to the Expiration Date. Deliveries to the Company, to Wells Fargo Securities, LLC, the sole dealer manager for the Offer, Georgeson Inc., the information agent for the Offer, the book-entry transfer facility (as described in the Offer to Purchase) or any other person will not be forwarded to the Depository and therefore will not constitute valid delivery. Deliveries to The Depository Trust Company will not constitute valid delivery to the Depository.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on the Letter of Transmittal is required to be guaranteed by an Eligible Institution under the instructions in the Letter of Transmittal, the signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "**Company**"), at the price(s) per share of the Company's shares of common stock, par value \$0.001 per share (the "**Shares**"), indicated in this Notice of Guaranteed Delivery, net to the seller in cash, less any applicable withholding taxes and without interest, on the terms and subject to the conditions set forth in the Offer to Purchase, dated April 16, 2014 (the "**Offer to Purchase**"), and the related Letter of Transmittal (the "**Letter of Transmittal**," which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**"), receipt of which is hereby acknowledged, the number of Shares set forth below, all pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

Total number of whole Shares to be tendered: _____. **Unless otherwise indicated, it will be assumed that all Shares are to be tendered.**

THE UNDERSIGNED IS TENDERING SHARES AS FOLLOWS (CHECK AT LEAST ONE BOX):

PRICE(S) (IN U.S. DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

By checking at least one of the following boxes below, the undersigned is tendering Shares at the price(s) checked. This election could mean that none of the Shares will be purchased if the Purchase Price (as defined in the Offer to Purchase) is less than the price(s) checked below. **IF YOU WISH TO TENDER SHARES AT MORE THAN ONE PRICE, YOU MUST CHECK THE BOXES THAT CORRESPOND TO THE PRICES PER SHARE AT WHICH YOU WANT TO TENDER YOUR SHARES AND SPECIFY THE NUMBER OF YOUR SHARES THAT YOU WISH TO TENDER AT EACH APPLICABLE PRICE (SEE SECTION 3 OF THE OFFER TO PURCHASE AND INSTRUCTION 4 TO THE LETTER OF TRANSMITTAL).** The same Shares cannot be tendered at more than one price unless previously and properly withdrawn as provided in Section 4 of the Offer to Purchase.

PRICE(S) (IN U.S. DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

Price(s) at Which Shares are Tendered	Number of Whole Shares Tendered at Applicable Price
<input type="checkbox"/> Price \$10.35	_____
<input type="checkbox"/> Price \$10.40	_____
<input type="checkbox"/> Price \$10.45	_____
<input type="checkbox"/> Price \$10.50	_____
<input type="checkbox"/> Price \$10.55	_____
<input type="checkbox"/> Price \$10.60	_____
<input type="checkbox"/> Price \$10.65	_____
<input type="checkbox"/> Price \$10.70	_____
<input type="checkbox"/> Price \$10.75	_____
<input type="checkbox"/> Price \$10.80	_____
<input type="checkbox"/> Price \$10.85	_____
<input type="checkbox"/> Price \$10.90	_____
<input type="checkbox"/> Price \$10.95	_____
<input type="checkbox"/> Price \$11.00	_____
Total Number of Shares Tendered (cannot exceed the total number of Shares you own)	

CHECK AT LEAST ONE BOX ABOVE. IF NO BOX IS CHECKED, THERE IS NO PROPER TENDER OF SHARES.

GUARANTEE

(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program, the New York Stock Exchange, Inc. Medallion Signature Program, the Stock Exchange Medallion Program, or an "eligible guarantor institution," as the term is defined in Rule 17Ad-15 promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), hereby guarantees that (1) the above named person(s) "own(s)" the Shares tendered hereby within the meaning of Rule 14e-4 promulgated under the Exchange Act, (2) such tender of Shares complies with Rule 14e-4 promulgated under the Exchange Act and (3) it will deliver to the Depository confirmation of book-entry transfer of such Shares into the Depository's account at The Depository Trust Company, in any such case, together with a properly completed and duly executed Letter of Transmittal, or an originally signed photocopy of the Letter of Transmittal, or an Agent's Message (as defined in the Offer to Purchase), and any required signature guarantees and other documents required by the Letter of Transmittal, within three business days (as defined in the Offer to Purchase) after the date of receipt by the Depository of this Notice of Guaranteed Delivery.

The eligible guarantor institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal to the Depository within the time period stated herein. Failure to do so could result in financial loss to such eligible guarantor institution.

Name of Firm: _____

Authorized Signature: _____

Name: _____

(Please Type or Print)

Title: _____

Address: _____

Zip Code: _____

Area Code and Telephone Number: _____

Dated: _____, 2014

Offer to Purchase for Cash Up to \$250,000,000 in Value of Shares by

FS Investment Corporation

of its Shares of Common Stock at a Purchase Price
Not Greater Than \$11.00 or Less Than \$10.35 Per Share

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY 28, 2014, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN (SUCH DATE AND TIME, AS THEY MAY BE EXTENDED, THE "EXPIRATION DATE").

April 16, 2014

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

On April 16, 2014, FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "**Company**"), listed its shares of common stock, par value \$0.001 per share (the "**Shares**"), on the New York Stock Exchange LLC ("**NYSE**") under the symbol "FSIC." The listing provides the Company's stockholders a security that may be sold at a price determined by the market on any day the NYSE is open for trading.

We have been appointed by the Company to act as the Dealer Manager in connection with the Company's offer to purchase for cash up to \$250,000,000 in value of its Shares, at a price specified by the tendering stockholders of not greater than \$11.00 or less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in the Offer to Purchase, dated April 16, 2014 (the "**Offer to Purchase**"), and the related Letter of Transmittal (the "**Letter of Transmittal**," which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**"). Please furnish copies of the enclosed materials to those of your clients for whom you hold Shares registered in your name or in the name of your nominee.

Promptly after the Expiration Date, assuming the conditions to the Offer have been satisfied or waived, the Company will determine a single price per Share (the "**Purchase Price**"), which will be not more than \$11.00 and not less than \$10.35 per Share, that it will pay, subject to proration, for Shares properly tendered in the Offer and not properly withdrawn, and accepted for payment, taking into account the number of Shares tendered pursuant to the Offer and the prices specified by the tendering stockholders. The Purchase Price will be the lowest price per Share (in increments of \$0.05) of not more than \$11.00 and not less than \$10.35 per Share, at which Shares have been properly tendered or have been deemed to be tendered in the Offer, that will enable the Company to purchase the maximum number of Shares properly tendered in the Offer and not properly withdrawn having an aggregate purchase price of up to \$250,000,000 or such lesser number if less than \$250,000,000 in value of Shares are properly tendered in the Offer after giving effect to any Shares properly withdrawn. The Company will not accept Shares subject to conditional tenders, such as acceptance of all or none of the Shares tendered by any tendering stockholder. No fractional Shares will be purchased in the Offer.

All Shares purchased in the Offer will be purchased at the same Purchase Price regardless of whether or not any stockholder tendered at a lower price. However, because of the proration provisions described in the Offer to Purchase, all of the Shares properly tendered and not properly withdrawn at or below the Purchase Price may not be purchased if those Shares have an aggregate purchase price in excess of \$250,000,000. Only Shares properly tendered at prices at or below the Purchase Price, and not properly withdrawn, will be eligible to be purchased. Shares tendered but not purchased pursuant to the Offer will be returned promptly following the Expiration Date.

Upon the terms and subject to the conditions of the Offer, if the number of Shares properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date would result in an aggregate purchase price of more than \$250,000,000, the Company will purchase Shares from all stockholders who properly tender Shares at or below the Purchase Price, on a *pro rata* basis, with appropriate adjustments to avoid the purchase of fractional Shares, until the Company has purchased Shares resulting in an aggregate purchase price of up to \$250,000,000. See Sections 1, 3, 4 and 5 of the Offer to Purchase.

For your information, and for forwarding to those of your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. Offer to Purchase, dated April 16, 2014;
2. Letter of Transmittal and the IRS Form W-9 for your use in accepting the Offer and tendering Shares of, and for the information of, your clients (photocopied forms with original signatures may be used to tender Shares, facsimile signatures will not be accepted);

3. Letter to Clients, for you to send to your clients for whose accounts you hold Shares registered in your name or in the name of a nominee, with an Instruction Form provided for obtaining such clients' instructions with regard to the Offer;
4. Notice of Guaranteed Delivery with respect to Shares, to be used to accept the Offer if the procedures for book-entry transfer cannot be completed on a timely basis or if time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal, to reach the Depository (as defined in the Offer to Purchase) prior to the Expiration Date; and
5. Return envelope addressed to the Depository.

The conditions of the Offer are described in Section 6 of the Offer to Purchase.

Your prompt action is requested. We urge you to contact your clients as promptly as possible. Please note that the Offer and withdrawal rights will expire at 5:00 p.m., New York City time, on May 28, 2014, unless the Offer is extended or withdrawn. Under no circumstances will the Company pay interest on the Purchase Price (as such term is defined in the Offer to Purchase), even if there is any delay in making payment.

For Shares to be tendered properly pursuant to the Offer:

- i a book-entry confirmation of the deposit of the Shares into the Paying Agent's (as defined in the Offer to Purchase) account at The Depository Trust Company ("**DTC**") if Shares are tendered through DTC's Automatic Tender Offer Program system, a properly completed and duly executed Letter of Transmittal (or originally signed photocopy of the Letter of Transmittal (facsimile signatures will not be accepted) including any required signature guarantees, or an Agent's Message (as defined in the Offer to Purchase), and any other documents required by the Letter of Transmittal, must be received prior to the Expiration Date by the Depository at its address set forth on the back cover page of the Offer to Purchase; or
- i the tendering stockholder must, prior to the Expiration Date, comply with the guaranteed delivery procedures set forth in the Offer to Purchase.

Although the Company's Board of Directors has authorized the Offer, none of the Company, any member of the Company's Board of Directors, FB Advisor, GDFM, the Dealer Manager, the Paying Agent, the Depository, the Information Agent (each as defined in the Offer to Purchase) or any of their respective affiliates has made, or is making, any recommendation to your clients as to whether they should tender or refrain from tendering their Shares or as to the price or prices at which they may choose to tender their Shares. Your clients must make their own decisions as to whether to tender their Shares, how many Shares to tender and the price or prices at which their Shares should be tendered. In doing so, your clients should read carefully the information in, or incorporated by reference in, the Offer to Purchase and the Letter of Transmittal including the purposes and effects of the Offer. See Section 2 of the Offer to Purchase. Your clients are urged to discuss their decisions with their tax advisors, financial advisors and/or brokers.

The Company will not pay any fees or commissions to brokers, dealers or other persons (other than fees to the Dealer Manager, the Paying Agent, the Depository and the Information Agent, as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. However, the Company will, on request, reimburse you for customary mailing and handling expenses incurred by you in forwarding copies of the enclosed Offer and related materials to your clients. The Company will pay or cause to be paid all stock transfer taxes, if any, on its purchase of Shares pursuant to the Offer, except as otherwise provided in the Offer to Purchase (see Section 5 of the Offer to Purchase).

If you have any questions regarding the Offer, please contact the Dealer Manager (institutional stockholders) or the Information Agent (retail stockholders), each at the telephone numbers and addresses set forth below. If you require additional copies of the Offer to Purchase, the Letter of Transmittal or the other documents related to the Offer, please contact the Information Agent at the telephone numbers and address set forth below.

The Depository and Paying Agent for the Offer is:

Computershare

By registered, certified, express or first class mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, RI 02940

By overnight courier:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street Suite V
Canton, MA 02021

Facsimile (for withdrawals only): (617) 360-6810

The Dealer Manager for the Offer is:

Wells Fargo Securities, LLC

375 Park Avenue
New York, New York 10152
Call: (212) 214-6400
Call Toll Free: (877) 450-7515

The Information Agent for the Offer is:

Georgeson

480 Washington Blvd., 26th Floor
Jersey City, NJ 07310
(888) 566-3252 (Toll Free) or
via email at fsinvestment@georgeson.com

**Banks and Brokerage Firms please call:
(800) 223-2064**

Very truly yours,

Wells Fargo Securities, LLC

Nothing contained in this letter or in the enclosed documents shall render you or any other person the agent of the Company, FB Advisor, GDFM, the Dealer Manager, the Paying Agent, the Depository, the Information Agent or any affiliate of any of them or authorize you or any other person to give any information or use any document or make any statement on behalf of any of them with respect to the Offer other than the enclosed documents and the statements contained therein.

Offer to Purchase for Cash
Up to \$250,000,000 in Value of Shares

by

FS Investment Corporation

of

its Shares of Common Stock
at a Purchase Price Not Greater Than \$11.00
or Less Than \$10.35 Per Share

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY 28, 2014, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN (SUCH DATE AND TIME, AS THEY MAY BE EXTENDED, THE "EXPIRATION DATE").

April 16, 2014

To Our Clients:

On April 16, 2014, FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "**Company**"), listed its shares of common stock, par value \$0.001 per share (the "**Shares**"), on the New York Stock Exchange LLC ("**NYSE**") under the symbol "FSIC." The listing provides the Company's stockholders a security that may be sold at a price determined by the market on any day the NYSE is open for trading.

For those stockholders who might wish to sell Shares other than on the NYSE, enclosed for your consideration are the Offer to Purchase, dated April 16, 2014 (the "**Offer to Purchase**"), and the related Letter of Transmittal (the "**Letter of Transmittal**," which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**"), by the Company, to purchase for cash up to \$250,000,000 in value of its Shares at a price specified by the tendering stockholders of not greater than \$11.00 or less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in the Offer.

Promptly after the Expiration Date, assuming the conditions to the Offer have been satisfied or waived, the Company will determine a single price per Share (the "**Purchase Price**"), which will be not more than \$11.00 and not less than \$10.35 per Share, that it will pay, subject to proration, for Shares properly tendered in the Offer and not properly withdrawn, and accepted for payment, taking into account the number of Shares tendered pursuant to the Offer and the prices specified by the tendering stockholders. The Purchase Price will be the lowest price per Share (in increments of \$0.05) of not more than \$11.00 and not less than \$10.35 per Share, at which Shares have been properly tendered or have been deemed to be tendered in the Offer, that will enable the Company to purchase the maximum number of Shares properly tendered in the Offer and not properly withdrawn having an aggregate purchase price of up to \$250,000,000 or such lesser number if less than \$250,000,000 in value of Shares are properly tendered in the Offer after giving effect to any Shares properly withdrawn. The Company will not accept Shares subject to conditional tenders, such as acceptance of all or none of the Shares tendered by any tendering stockholder. No fractional Shares will be purchased in the Offer.

All Shares purchased in the Offer will be purchased at the same Purchase Price regardless of whether or not any stockholder tendered at a lower price. However, because of the proration provisions described in the Offer to Purchase, all of the Shares properly tendered and not properly withdrawn at or below the Purchase Price may not be purchased if those Shares have an aggregate purchase price in excess of \$250,000,000. Only Shares properly tendered at prices at or below the Purchase Price, and not properly withdrawn, will be eligible to be purchased. Shares tendered but not purchased pursuant to the Offer will be returned promptly following the Expiration Date.

Upon the terms and subject to the conditions of the Offer, if the number of Shares properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date would result in an aggregate purchase price of more than \$250,000,000, the Company will purchase Shares from all stockholders who properly tender Shares at or below the Purchase Price, on a *pro rata* basis, with appropriate adjustments to avoid the purchase of fractional Shares, until the Company has purchased Shares resulting in an aggregate purchase price of up to \$250,000,000. See Sections 1, 3, 4 and 5 of the Offer to Purchase.

We are the holder of record (directly or indirectly) of Shares held for your account. As such, we are the only ones who can tender your Shares, and then only pursuant to your instructions. **We are sending you the Letter of Transmittal for your information only. You cannot use it to tender Shares we hold for your account.**

Please instruct us, by completing the attached Instruction Form, as to whether you wish us to tender all or any portion of the Shares we hold for your account on the terms and subject to the conditions of the Offer.

Please note the following:

1. You may tender your Shares at a price not greater than \$11.00 or less than \$10.35 per Share, in increments of \$0.05, as indicated in the attached Instruction Form, net to you in cash, less any applicable withholding tax and without interest.
2. **You cannot instruct us to tender the same Shares (unless previously validly withdrawn in accordance with the terms of the Offer) at more than one price.**
3. The Offer is not conditioned upon obtaining financing or any minimum number of Shares being tendered. The Offer is, however, subject to a number of other terms and conditions. See Section 6 of the Offer to Purchase.
4. The Offer and withdrawal rights will expire at 5:00 p.m., New York City time, on May 28, 2014, unless the Offer is extended or withdrawn.
5. Tendering stockholders whose Shares are registered in their own names and who tender directly to the Depositary (as such term is defined in the Offer to Purchase) will not be obligated to pay brokerage fees or commissions or, except as set forth in Section 5 of the Offer to Purchase, stock transfer taxes on the purchase of Shares by the Company pursuant to the Offer. You should consult with us as to whether any other charges will apply as a result of your instruction to us to tender your Shares on your behalf.
6. Any tendering stockholder or other payee who is a U.S. Holder (as defined in Section 13 of the Offer to Purchase) and who fails to complete, sign and return to the Depositary the IRS Form W-9 included with the Letter of Transmittal (or such other Internal Revenue Service form as may be applicable) may be subject to U.S. federal backup withholding tax on the gross proceeds paid to the U.S. Holder or other payee pursuant to the Offer, unless such holder establishes that such holder is within the class of persons that is exempt from U.S. federal backup withholding tax. See Section 13 of the Offer to Purchase.

If you wish to have us tender all or any portion of your Shares, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form. An envelope to return your Instruction Form to us is enclosed.

Your prompt action is requested. Your Instruction Form should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the Expiration Date. Please note that the Offer and withdrawal rights will expire at 5:00 p.m., New York City time, on May 28, 2014, unless the Offer is extended or withdrawn.

The Offer is being made solely under the Offer to Purchase and the Letter of Transmittal and is being made to all holders of the Shares. The Company is not aware of any jurisdiction where the making of the Offer is prohibited by any administrative or judicial action pursuant to any valid state statute. If the Company becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of the Shares, the Company will make a good faith effort to comply with that state statute or seek to have such statute declared inapplicable to the Offer. If, after a good faith effort, the Company cannot comply with the state statute, the Company will not make the Offer to, nor will the Company accept tenders from or on behalf of, the holders of Shares in that state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on the Company's behalf by the Dealer Manager (as described in Section 16 of the Offer to Purchase) or by one or more registered brokers or dealers licensed under the laws of that jurisdiction.

ALTHOUGH THE COMPANY'S BOARD OF DIRECTORS HAS AUTHORIZED THE OFFER, NONE OF THE COMPANY, ANY MEMBER OF THE COMPANY'S BOARD OF DIRECTORS, FB ADVISOR, GDFM, THE DEALER MANAGER, THE PAYING AGENT, THE DEPOSITARY, THE INFORMATION AGENT (EACH AS DEFINED IN THE OFFER TO PURCHASE), OR ANY OF THEIR RESPECTIVE AFFILIATES HAS MADE, OR IS MAKING, ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOU WILL TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION INCLUDED OR INCORPORATED BY REFERENCE IN THE OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE OFFER. YOU ARE URGED TO DISCUSS YOUR DECISION WITH YOUR TAX ADVISOR, FINANCIAL ADVISOR AND/OR BROKER.

INSTRUCTION FORM WITH RESPECT TO
Offer to Purchase for Cash
Up to \$250,000,000 in Value of Shares

by

FS Investment Corporation

of

its Shares of Common Stock
at a Purchase Price Not Greater Than \$11.00
or Less Than \$10.35 Per Share

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated April 16, 2014 (the "**Offer to Purchase**"), and the related Letter of Transmittal (the "**Letter of Transmittal**," which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**"), by FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "**Company**"), to purchase for cash up to \$250,000,000 in value of its Shares of Common Stock, par value \$0.001 per share (the "**Shares**"), at a price specified by the tendering stockholders of not greater than \$11.00 or less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in the Offer to Purchase and the Letter of Transmittal.

The undersigned hereby instruct(s) you to tender to the Company the number of Shares indicated below or, if no number is indicated, all Shares you hold for the account of the undersigned, on the terms and subject to the conditions of the Offer.

In participating in the Offer, the undersigned acknowledges that: (1) the Offer is established voluntarily by the Company, it is discretionary in nature and it may be extended, modified, suspended or terminated by the Company as provided in the Offer to Purchase; (2) the undersigned is voluntarily participating in the Offer; (3) the future value of the Shares is unknown and cannot be predicted with certainty; (4) the undersigned has received the Offer to Purchase and the Letter of Transmittal; and (5) regardless of any action that the Company takes with respect to any or all income/capital gains tax, social security or insurance tax, transfer tax or other tax-related items ("**Tax Items**") related to the Offer and the disposition of Shares, the undersigned acknowledges that the ultimate liability for all Tax Items is and remains his or her sole responsibility. In that regard, the undersigned authorizes the Company to withhold all applicable Tax Items legally payable by the undersigned. The undersigned consents to the collection, use and transfer, in electronic or other form, of the undersigned's personal data as described in this document by and among, as applicable, the Company, its subsidiaries, and third party administrators for the exclusive purpose of implementing, administering and managing his or her participation in the Offer.

Total number of whole Shares to be tendered by you for the account of the undersigned*:

* **Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.**

**THE UNDERSIGNED IS TENDERING SHARES AS FOLLOWS
(CHECK AT LEAST ONE BOX):**

PRICE(S) (IN U.S. DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

By checking at least one of the following boxes below, the undersigned is tendering Shares at the price(s) checked. This election could mean that none of the Shares will be purchased if the Purchase Price is less than the price(s) checked below. **IF YOU WISH TO TENDER SHARES AT MORE THAN ONE PRICE, YOU MUST CHECK THE BOXES THAT CORRESPOND TO THE PRICES PER SHARE AT WHICH YOU WANT TO TENDER YOUR SHARES AND SPECIFY THE NUMBER OF YOUR SHARES THAT YOU WISH TO TENDER AT EACH APPLICABLE PRICE (SEE SECTION 3 OF THE OFFER TO PURCHASE AND INSTRUCTION 4 TO THE LETTER OF TRANSMITTAL).** The same Shares cannot be tendered at more than one price unless previously and properly withdrawn as provided in Section 4 of the Offer to Purchase.

PRICE(S) (IN U.S. DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

Price(s) at Which Shares are Tendered	Number of Whole Shares Tendered at Applicable Price
<input type="checkbox"/> Price \$10.35	_____
<input type="checkbox"/> Price \$10.40	_____
<input type="checkbox"/> Price \$10.45	_____
<input type="checkbox"/> Price \$10.50	_____
<input type="checkbox"/> Price \$10.55	_____
<input type="checkbox"/> Price \$10.60	_____
<input type="checkbox"/> Price \$10.65	_____
<input type="checkbox"/> Price \$10.70	_____
<input type="checkbox"/> Price \$10.75	_____
<input type="checkbox"/> Price \$10.80	_____
<input type="checkbox"/> Price \$10.85	_____
<input type="checkbox"/> Price \$10.90	_____
<input type="checkbox"/> Price \$10.95	_____
<input type="checkbox"/> Price \$11.00	_____
Total Number of Shares Tendered (cannot exceed the total number of Shares you own)	

CHECK AT LEAST ONE BOX ABOVE. IF NO BOX IS CHECKED, THERE IS NO PROPER TENDER OF SHARES.

The method of delivery of this document is at the election and risk of the tendering stockholder. If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

**NOTICE OF WITHDRAWAL OF TENDER FOR INDIVIDUAL INVESTORS
(but not for Brokers, Dealers, Banks, Trust Companies and other Nominees
and DTC Participants)**

**Regarding Shares of Common Stock of
FS INVESTMENT CORPORATION
Tendered Pursuant to the Offer to Purchase
Dated April 16, 2014**

The Offer and Withdrawal Rights will expire and this Notice of Withdrawal must be received, either by overnight courier, hand delivery, mail, or facsimile, by 5:00 p.m. New York City time, on May 28, 2014, unless the offer is extended or withdrawn.

Pursuant to the Offer to Purchase, dated April 16, 2014 (the "**Offer to Purchase**"), and the related Letter of Transmittal (the "**Letter of Transmittal**" which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**"), FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "**Company**"), offered to purchase for cash up to \$250,000,000 in value of its shares of common stock, par value \$0.001 per share (the "**Shares**"), at a price not greater than \$11.00 nor less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, on the terms and subject to the conditions described in the Offer. All capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Offer.

This Notice of Withdrawal is to be completed if your Shares are registered in your name (i.e., if you are an in who is the record and beneficial owner of your Shares) and you have previously properly tendered your Shares by delivering a completed and executed Letter of Transmittal to the Depository and now wish to withdraw your tender. You should not use this form if you have tendered Shares through The Depository Trust Company's Automated Tender Offer Program transfer procedures described Section 3 of the Offer to Purchase.

COMPLETE THIS NOTICE OF WITHDRAWAL AND RETURN BY MAIL, HAND DELIVERY, OVERNIGHT COURIER, OR A MANUALLY SIGNED FACSIMILE TRANSMISSION, TO THE FOLLOWING ADDRESS:

Computershare

By registered, certified, express or first class mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, RI 02940

By overnight courier:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street Suite V
Canton, MA 02021

Facsimile (for withdrawals only): (617) 360-6810

YOU ARE RESPONSIBLE FOR CONFIRMING THAT THIS NOTICE OF WITHDRAWAL IS RECEIVED BY THE DEPOSITARY AT THE ADDRESS ABOVE.

Ladies and Gentlemen:

The undersigned hereby withdraws the tender of his, her or its Shares to the Company for purchase by the Company that previously was submitted by the undersigned in a Letter of Transmittal, for account number _____.

	The Shares withdrawn pursuant to this Notice of Withdrawal consists of:
_____	Number of the undersigned Shares tendered at \$10.35 per Share
_____	Number of the undersigned Shares tendered at \$10.40 per Share
_____	Number of the undersigned Shares tendered at \$10.45 per Share
_____	Number of the undersigned Shares tendered at \$10.50 per Share
_____	Number of the undersigned Shares tendered at \$10.55 per Share
_____	Number of the undersigned Shares tendered at \$10.60 per Share
_____	Number of the undersigned Shares tendered at \$10.65 per Share
_____	Number of the undersigned Shares tendered at \$10.70 per Share
_____	Number of the undersigned Shares tendered at \$10.75 per Share
_____	Number of the undersigned Shares tendered at \$10.80 per Share
_____	Number of the undersigned Shares tendered at \$10.85 per Share
_____	Number of the undersigned Shares tendered at \$10.90 per Share
_____	Number of the undersigned Shares tendered at \$10.95 per Share
_____	Number of the undersigned Shares tendered at \$11.00 per Share

	<p>The undersigned understands that the withdrawal of a Letter of Transmittal that has been previously delivered, effected by this Notice of Withdrawal, may not be rescinded and that such Letter of Transmittal will no longer be deemed to be validly delivered for purposes of the Offer. Shares for which a Letter of Transmittal has been withdrawn may be re-tendered only by following the procedures for validly tendering Shares set forth in the Offer to Purchase and the Letter of Transmittal.</p>
	<p>All authority conferred or agreed to be conferred in this Notice of Withdrawal shall not be affected by and shall survive the death or incapacity of the undersigned, and any obligations of the undersigned under this Notice of Withdrawal shall be binding upon the heirs, personal and legal representatives, trustees in bankruptcy, successors and assigns of the undersigned.</p>
	<p>SIGNATURE(S) TO NOTICE OF WITHDRAWAL</p>
	<p>Authorized Signature _____ Date (mm/dd/yyyy) _____</p>
	<p>Name <i>(Please print)</i> _____</p>
	<p>Social Security or Tax ID Number _____</p>
	<p>Authorized Co-Signature <i>(if applicable)</i> _____ Date (mm/dd/yyyy) _____</p>
	<p>Name <i>(Please print)</i> _____</p>
	<p>Social Security or Tax ID Number _____</p>

NOTICE OF WITHDRAWAL OF TENDER
For Brokers, Dealers, Banks, Trust Companies and other Nominees and DTC Participants
(DO NOT USE THIS FORM IF YOU HAVE TENDERED SHARES THROUGH DTC'S ATOP SYSTEM)

Regarding Shares of Common Stock of
FS INVESTMENT CORPORATION

Tendered Pursuant to the Offer to Purchase
Dated April 16, 2014

The Offer and Withdrawal Rights will expire and this Notice of Withdrawal must be received, either by overnight courier, hand delivery, mail, or facsimile, by 5:00 p.m. New York City time, on May 28, 2014, unless the offer is extended or withdrawn.

Pursuant to the Offer to Purchase, dated April 16, 2014 (the "**Offer to Purchase**"), and the related Letter of Transmittal (the "**Letter of Transmittal**") which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**"), FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "**Company**"), offered to purchase for cash up to \$250,000,000 in value of its shares of common stock, par value \$0.001 per share (the "**Shares**"), at a price not greater than \$11.00 nor less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, on the terms and subject to the conditions described in the Offer. All capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Offer.

This Notice of Withdrawal is to be completed if you are a broker, dealer, commercial bank, trust company or other nominee acting on behalf of your client by delivering a completed and executed Letter of Transmittal to the Depository and now wish to withdraw your tender. You should not use this form if you have tendered Shares through The Depository Trust Company's ("DTC") Automated Tender Offer Program ("ATOP") transfer procedures described Section 3 of the Offer to Purchase.

COMPLETE THIS NOTICE OF WITHDRAWAL AND RETURN BY MAIL, HAND DELIVERY, OVERNIGHT COURIER, OR A MANUALLY SIGNED FACSIMILE TRANSMISSION, TO THE FOLLOWING ADDRESS:

Computershare

By registered, certified, express or first class mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, RI 02940

By overnight courier:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street Suite V
Canton, MA 02021

Facsimile (for withdrawals only): (617) 360-6810

YOU ARE RESPONSIBLE FOR CONFIRMING THAT THIS NOTICE OF WITHDRAWAL IS RECEIVED BY THE DEPOSITARY AT THE ADDRESS ABOVE.

HOLDERS WHO TENDERED SHARES THROUGH DTC'S ATOP PROCEDURES AND WISH TO WITHDRAW THEIR TENDERS MUST COMPLY WITH DTC'S PROCEDURES FOR WITHDRAWAL OF TENDERS, SUFFICIENT TIME SHOULD BE ALLOWED FOR COMPLETION OF THE ATOP WITHDRAWAL PROCEDURES DURING THE NORMAL BUSINESS HOURS OF DTC.

Ladies and Gentlemen:

The undersigned hereby withdraws the tender of his, her or its Shares to the Company for purchase by the Company that previously was submitted by the undersigned in a Letter of Transmittal, for account number _____.

	The Shares withdrawn pursuant to this Notice of Withdrawal consists of:
	_____ Number of the undersigned Shares tendered at \$10.35 per Share
	_____ Number of the undersigned Shares tendered at \$10.40 per Share
	_____ Number of the undersigned Shares tendered at \$10.45 per Share
	_____ Number of the undersigned Shares tendered at \$10.50 per Share
	_____ Number of the undersigned Shares tendered at \$10.55 per Share
	_____ Number of the undersigned Shares tendered at \$10.60 per Share
	_____ Number of the undersigned Shares tendered at \$10.65 per Share
	_____ Number of the undersigned Shares tendered at \$10.70 per Share
	_____ Number of the undersigned Shares tendered at \$10.75 per Share
	_____ Number of the undersigned Shares tendered at \$10.80 per Share
	_____ Number of the undersigned Shares tendered at \$10.85 per Share
	_____ Number of the undersigned Shares tendered at \$10.90 per Share
	_____ Number of the undersigned Shares tendered at \$10.95 per Share
	_____ Number of the undersigned Shares tendered at \$11.00 per Share

	The undersigned understands that the withdrawal of a Letter of Transmittal that has been previously delivered, effected by this Notice of Withdrawal, may not be rescinded and that such Letter of Transmittal will no longer be deemed to be validly delivered for purposes of the Offer. Shares for which a Letter of Transmittal has been withdrawn may be re-tendered only by following the procedures for validly tendering Shares set forth in the Offer to Purchase and the Letter of Transmittal.
	All authority conferred or agreed to be conferred in this Notice of Withdrawal shall not be affected by and shall survive the death or incapacity of the undersigned, and any obligations of the undersigned under this Notice of Withdrawal shall be binding upon the heirs, personal and legal representatives, trustees in bankruptcy, successors and assigns of the undersigned.
	Name of Delivering Institution _____
	Address _____
	City, State, Zip _____
	Daytime Phone # () _____
	Facsimile # () _____
	Contact Person _____
	Date Delivered _____
	DTC Account Number _____
	Transaction Code Number _____
	SIGNATURE(S) TO NOTICE OF WITHDRAWAL
	Authorized Signature _____ Date (mm/dd/yyyy) _____
	Name (<i>Please print</i>) _____
	Title _____
	Authorized Co-Signature (<i>if applicable</i>) _____ Date (mm/dd/yyyy) _____
	Name (<i>Please print</i>) _____
	Title _____

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made solely by the Offer to Purchase, dated April 16, 2014, and the related Letter of Transmittal, as they may be amended or supplemented from time to time and the information contained therein is incorporated herein by reference. The Company (as defined below) is not aware of any jurisdiction where the making of the Offer is prohibited by any administrative or judicial action pursuant to any valid state statute. If the Company becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of the Shares, the Company will make a good faith effort to comply with that state statute or seek to have such statute declared inapplicable to the Offer. If, after a good faith effort, the Company cannot comply with the state statute, the Company will not make the Offer to, nor will the Company accept tenders from or on behalf of, the holders of Shares in that state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on the Company's behalf by the Dealer Manager (as defined below) or by one or more registered brokers or dealers licensed under the laws of that jurisdiction.

**Notice of Offer to Purchase for Cash
Up to \$250,000,000 in Value of Shares**

by

FS Investment Corporation

of

**its Shares of Common Stock
at a Purchase Price Not Greater Than \$11.00
or Less Than \$10.35 Per Share**

FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "**Company**"), is offering to purchase for cash up to \$250,000,000 in value of its shares of common stock, par value \$0.001 per share (the "**Shares**"), at a price specified by the tendering stockholders of not greater than \$11.00 or less than \$10.35 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in the Offer to Purchase, dated April 16, 2014 (the "**Offer to Purchase**"), and the related Letter of Transmittal (the "**Letter of Transmittal**," which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitute the "**Offer**").

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY 28, 2014, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN (SUCH DATE AND TIME, AS THEY MAY BE EXTENDED, THE "EXPIRATION DATE").

The Offer is not conditioned upon the receipt of financing or any minimum number of Shares being tendered. The Offer is, however, subject to a number of other terms and conditions as specified in the Offer to Purchase.

Although the Company's Board of Directors has authorized the Offer, none of the Company, any member of the Company's Board of Directors, FB Advisor (as defined in the Offer to Purchase), GDFM (as defined in the Offer to Purchase), the Dealer Manager (as defined below), the Paying Agent (as defined below), the Depositary (as defined below), the Information Agent (as defined below) or any of their respective affiliates has made, or is making, any recommendation to the Company's stockholders as to whether to tender or refrain from tendering their Shares or as to the price or prices at which stockholders may choose to tender their Shares. Stockholders must make their own decisions as to whether to tender their Shares, how many Shares to tender and the price or prices at which their Shares should be tendered. In doing so, stockholders should read carefully the information in or incorporated by reference in the Offer to Purchase and the related Letter of Transmittal, including the purposes and effects of the Offer. Stockholders are urged to discuss their decisions with their tax advisors, financial advisors and/or brokers.

In accordance with the instructions to the Letter of Transmittal, stockholders desiring to tender Shares must specify the price or prices, not greater than \$11.00 or less than \$10.35 per Share (in increments of \$0.05), at which they are willing to sell their Shares to the

Company in the Offer. Promptly after the Expiration Date, assuming the conditions of the Offer have been satisfied or waived, the Company will, upon the terms and subject to the conditions of the Offer, determine a single price per Share (the "**Purchase Price**") (which will be not more than \$11.00 and not less than \$10.35 per Share) that it will pay, subject to proration, for Shares properly tendered in the Offer and not properly withdrawn, and accepted for payment, taking into account the number of Shares tendered pursuant to the Offer and the prices specified by the tendering stockholders. The Purchase Price will be the lowest price per Share (in increments of \$0.05) of not more than \$11.00 and not less than \$10.35 per Share at which Shares have been properly tendered or have been deemed to be tendered in the Offer, that will enable the Company to purchase the maximum number of Shares properly tendered in the Offer and not properly withdrawn having an aggregate purchase price of up to \$250,000,000 or such lesser number if less than \$250,000,000 in value of Shares are properly tendered in the Offer after giving effect to any Shares properly withdrawn. All Shares purchased in the Offer will be purchased at the same Purchase Price regardless of whether the stockholder tendered at a lower price. However, because of the proration provisions described in the Offer to Purchase, all of the Shares properly tendered and not properly withdrawn at or below the Purchase Price may not be purchased if those Shares have an aggregate purchase price in excess of \$250,000,000. Only Shares properly tendered at prices at or below the Purchase Price, and not properly withdrawn, will be eligible to be purchased. Shares tendered but not purchased pursuant to the Offer will be returned promptly following the Expiration Date. The Company will not accept Shares subject to conditional tenders, such as acceptance of all or none of the Shares tendered by any tendering stockholder. No fractional Shares will be purchased in the Offer.

Immediately after the listing of the Shares on the New York Stock Exchange LLC (the "**NYSE**") on April 16, 2014, there were 262,282,173 Shares issued and outstanding. At the maximum Purchase Price of \$11.00 per Share, the Company could purchase approximately 22,727,272 Shares if the Offer is fully subscribed, which would represent approximately 8.7% of the issued and outstanding Shares as of immediately after the listing of the Shares on the NYSE on April 16, 2014. At the minimum Purchase Price of \$10.35 per Share, the Company could purchase approximately 24,154,589 Shares if the Offer is fully subscribed, which would represent approximately 9.2% of the issued and outstanding Shares as of immediately after the listing of the Shares on the NYSE on April 16, 2014.

The Company expects to use available cash and/or borrowings under its senior secured revolving credit facility with ING Capital LLC and the other lenders party thereto to fund any purchases of Shares in the Offer and to pay for all related fees and expenses.

Upon the terms and subject to the conditions of the Offer, if the number of Shares properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date would result in an aggregate purchase price of more than \$250,000,000, the Company will purchase Shares from all stockholders who properly tender Shares at or below the Purchase Price, on a *pro rata* basis, with appropriate adjustments to avoid the purchase of fractional Shares, until the Company has purchased Shares resulting in an aggregate purchase price of up to \$250,000,000.

Stockholders desiring to tender their Shares must follow the procedures set forth in Section 3 of the Offer to Purchase and in the related Letter of Transmittal.

For purposes of the Offer, the Company will be deemed to have accepted for payment, subject to the proration provisions of the Offer, Shares that are properly tendered at or below the Purchase Price and not properly withdrawn, only when, as and if the Company gives oral or written notice to Computershare Trust Company, N.A., as depository for the Offer (the "**Depository**") and paying agent for the Offer (the "**Paying Agent**"), of its acceptance of the Shares for payment pursuant to the Offer.

Upon the terms and subject to the conditions of the Offer, the Company will accept for payment and pay the Purchase Price per Share for all of the Shares accepted for payment pursuant to the Offer promptly after the Expiration Date. In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made promptly, taking into account any time necessary to determine any proration, but only after timely receipt by the Depository of (1) a book-entry confirmation of the deposit of Shares into the Paying Agent's account at The Depository Trust Company ("**DTC**") if Shares are tendered through DTC's Automatic Tender Offer Program ("**ATOP**") system, (2) a properly completed and duly executed Letter of Transmittal (or an originally signed photocopy of the Letter of Transmittal (facsimile signatures will not be accepted)) including any required signature guarantees, or an Agent's Message and (3) any other required documents, including documents required pursuant to guaranteed delivery procedures. Any stockholder who wishes to tender Shares at more than one price must specify the number of Shares tendered at each applicable price.

If any Shares tendered through DTC's ATOP system are not purchased, the Shares will be credited to the appropriate account maintained with DTC by the participant who delivered the Shares promptly after the expiration or termination of the Offer, without expense to the stockholder.

The Company expressly reserves the right, in its sole discretion and subject to applicable law, at any time and from time to time, to extend the period of time during which the Offer is open and delay acceptance for payment of, and payment for, any Shares by giving oral or written notice of such extension to the Depository and Paying Agent and making a public announcement of such extension no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Date. In the event of an

extension, the term "Expiration Date" will refer to the latest time and date at which the Offer, as extended by the Company, will expire. During any such extension, all Shares previously tendered and not properly withdrawn will remain subject to the Offer and to the right of a tendering stockholder to withdraw such stockholder's Shares.

Shares tendered in the Offer may be withdrawn at any time prior to the Expiration Date. In addition, unless the Company has already accepted tendered Shares for payment, stockholders may withdraw their properly tendered Shares at any time at or after 12:01 a.m., New York City time, on June 12, 2014. Except as otherwise provided in the Offer to Purchase, tenders of Shares pursuant to the Offer are irrevocable. For a withdrawal to be effective, a written Notice of Withdrawal in the form attached to the Schedule TO as Exhibit (a)(1)(F) or Exhibit (a)(1)(G), as applicable, must be timely received by the Depositary at its address or facsimile number set forth below. A Notice of Withdrawal must be delivered by regular mail, overnight courier, hand delivery or by manually signed facsimile transmission. In addition, custodians and DTC participants who tendered Shares through DTC must comply with DTC's procedures for withdrawal of tenders. Brokers, dealers, banks, trust companies and other nominees and DTC participants are not required to, and should not, submit the written Notice of Withdrawal in connection with the withdrawal of any tender submitted through DTC's ATOP system, but need to submit any documentation required for processing through the ATOP system. Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 3 of the Offer to Purchase at any time prior to the Expiration Date.

All questions as to the number of Shares to be accepted, the Purchase Price to be paid for Shares to be accepted and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of Shares will be determined by the Company, in its sole discretion and will be final and binding on all parties, except as finally determined in a subsequent judicial proceeding if the Company's determinations are challenged by stockholders. None of the Company, FB Advisor, GDFM Wells Fargo Securities, LLC, the sole dealer manager for the Offer (the "**Dealer Manager**"), the Depositary, the Paying Agent, Georgeson Inc., the information agent for the Offer (the "**Information Agent**"), or any other person will be obligated to give notice of any defects or irregularities in any Notice of Withdrawal, nor will any of them incur liability for failure to give any such notice. Generally, if you are a U.S. Holder (as defined in the Offer to Purchase), the receipt of cash from the Company in exchange for the Shares you tender in the Offer will be a taxable event for U.S. federal income tax purposes. The receipt of cash for your tendered Shares will generally be treated for U.S. federal income tax purposes either as (1) a sale or exchange eligible for capital gain or loss treatment or (2) a distribution in respect of stock from the Company. All stockholders should review the discussion in Sections 3 and 13 of the Offer to Purchase regarding certain U.S. federal income tax consequences and consult their tax advisors regarding the tax consequences of the Offer.

The purchase of Shares pursuant to the Offer will result in a reduction of the Company's stockholders' equity in an amount equal to the aggregate purchase price of the Shares the Company purchases and a corresponding increase in liabilities and/or reduction in total cash and cash equivalents depending on the source of funding.

The Offer to Purchase and the related Letter of Transmittal contain important information that stockholders should read carefully before they make any decision with respect to the Offer. The Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares on or about April 16, 2014 and will be furnished to brokers, dealers, commercial banks, trust companies and other nominee stockholders and similar persons whose names, or the names of whose nominees, appear on the Company's stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The information required to be disclosed by Rule 13e-4(d)(1) promulgated under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Company believes, among other things, that the Offer provides stockholders with an opportunity to obtain liquidity with respect to all or a portion of their Shares. In addition, stockholders who wish to achieve a greater percentage of equity ownership in the Company will be able to do so by not tendering their Shares in the Offer. **If a stockholder holds Shares through a broker, dealer, commercial bank, trust company or other nominee stockholder, the Company urges that stockholder to consult such a broker, dealer, commercial bank, trust company or other nominee stockholder to determine whether any transaction costs are applicable.**

Questions and requests for assistance by institutional stockholders may be directed to the Dealer Manager, and questions and requests for assistance by retail stockholders may be directed to the Information Agent, in each case at the telephone numbers and addresses set forth below. You may request additional copies of the Offer to Purchase, the Letter of Transmittal and the other documents related to the Offer from the Information Agent, at the telephone numbers and address set forth below. The Information Agent will promptly furnish to stockholders additional copies of these materials at the Company's expense. Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Depository and Paying Agent for the Offer is:

Computershare

By registered, certified, express or first class mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, RI 02940

By overnight courier:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street Suite V
Canton, MA 02021

Facsimile (for withdrawals only): (617) 360-6810

The Information Agent for the Offer is:

Georgeson

480 Washington Blvd., 26th Floor
Jersey City, NJ 07310
(888) 566-3252 (Toll Free) or
via email at fsinvestment@georgeson.com

**Banks and Brokerage Firms please call:
(800) 223-2064**

The Dealer Manager for the Offer is:

Wells Fargo Securities, LLC

375 Park Avenue
New York, New York 10152
Call: (212) 214-6400
Call Toll Free: (877) 450-7515

April 16, 2014



CONTACT:
Franklin Square Media Team
215-495-1174
media@franklinsquare.com

FOR IMMEDIATE RELEASE

FS Investment Corporation (FSIC) Announces Commencement of Tender Offer

Offers to Purchase up to \$250 Million of its Common Stock Between \$10.35 and \$11.00

PHILADELPHIA, April 16, 2014 – FS Investment Corporation (the “Company” or “FSIC”) today announced commencement of a modified “Dutch auction” tender offer (the “Tender Offer”) to purchase up to \$250 million in shares of its common stock. Under the terms of the Tender Offer, stockholders may tender all or a portion of their shares at one or more prices between \$10.35 and \$11.00. The Company intends to purchase properly tendered shares at the lowest price in this range that would enable FSIC to purchase the maximum number of shares. If the Tender Offer is oversubscribed, shares will be accepted on a prorated basis. Stockholders that do not wish to participate in the Tender Offer do not need to take any action.

The Tender Offer will expire at 5:00 p.m., New York City time, on May 28, 2014, unless extended or withdrawn.

Important Notice

This Press Release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities of the Company. The Company expects to use available cash and/or borrowings under its existing senior secured revolving credit facility to purchase shares in the Tender Offer and to pay for all related fees and expenses. The full details of the Tender Offer, including complete instructions on how to tender shares, are included in the Offer to Purchase, dated April 16, 2014, the related Letter of Transmittal and the other documents related to the Tender Offer (collectively, the “Tender Materials”), which the Company has filed with the Securities and Exchange Commission (the “SEC”) and is distributing to stockholders. Stockholders are urged to carefully read the Tender Materials because they contain important information, including the terms and conditions of the Tender Offer. Stockholders may obtain free copies of the Tender Materials at the SEC’s website at <http://www.sec.gov> or by calling Georgeson Inc., the information agent for the Tender Offer, at (888) 566-3252 (Toll Free). Questions and requests for assistance by retail stockholders may be directed to Georgeson Inc. at (888) 566-3252 (Toll Free). Questions and requests for assistance by institutional stockholders may be directed to Wells Fargo Securities, LLC, the Dealer Manager for the Tender Offer, at: (212) 214-6400 or (877) 450-7515 (Toll Free). In addition, stockholders may obtain free copies of the Company’s filings with the SEC from the Company’s website at: www.fsinvestmentcorp.com or by contacting the Company at Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104 or by phone (877) 628-8575.

About FS Investment Corporation

FSIC is a business development company sponsored by Franklin Square Capital Partners (“Franklin Square”). FSIC primarily originates and invests in senior secured loans and other securities of private U.S. companies, with the investment objective of generating current income and, to a lesser extent, long-term capital appreciation. FSIC is managed by FB Income Advisor, LLC, an affiliate of Franklin Square, and is sub-advised by GSO / Blackstone Debt Funds Management LLC, an affiliate of GSO Capital Partners LP (“GSO”). GSO, with approximately \$65 billion in assets under management as of December 31, 2013, is the credit platform of Blackstone, one of the world’s leading managers of alternative investments. For more information, please visit www.fsinvestmentcorp.com.

About Franklin Square Capital Partners

Franklin Square is a leading manager of alternative investment funds designed to enhance investors’ portfolios by providing access to asset classes, strategies and asset managers that typically have been available to only the largest institutional investors. The firm’s funds offer “endowment-style” investment strategies that help construct diversified portfolios and manage risk. Franklin Square strives not only to maximize investment returns but also to set the industry standard for best practices by focusing on transparency, investor protection and education for investment professionals and their clients.

Founded in Philadelphia in 2007, Franklin Square quickly established itself as a leader in the world of alternative investments by introducing innovative credit-based income funds, including the industry's first non-traded BDC. The firm currently manages five funds with over \$10.3 billion in assets as of December 31, 2013.

For more information, please visit www.franklinsquare.com.

About Blackstone and GSO Capital Partners

Blackstone is one of the world's leading investment and advisory firms. Blackstone seeks to create positive economic impact and long-term value for its investors, the companies it invests in, the companies it advises and the broader global economy. The firm does this through the commitment of its extraordinary people and flexible capital. GSO is the global credit platform of Blackstone. GSO, together with its affiliates, has approximately \$65 billion of assets currently under management and is one of the largest credit-focused alternative managers in the world and a major participant in the leveraged finance marketplace. GSO seeks to generate superior risk-adjusted returns in its credit business by investing in a broad array of strategies including mezzanine, distressed investing leveraged loans and other special situation strategies. Blackstone's alternative asset management businesses include investment vehicles focused on private equity, hedge fund solutions, secondary funds, and multi asset class exposures falling outside of other funds' mandates. Blackstone also provides various financial advisory services, including mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement services. Further information is available at www.blackstone.com.

Forward-Looking Statements

This press release may contain certain forward-looking statements, including statements with regard to future events or the future performance or operation of FSIC. Words such as "believes," "expects," "projects" and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements. Factors that could cause actual results to differ materially include changes in the economy, risks associated with possible disruption in FSIC's operations or the economy generally due to terrorism or natural disasters, future changes in laws or regulations and conditions in FSIC's operating area, the ability to complete the Tender Offer, the price at which shares of common stock may trade on the New York Stock Exchange LLC, which may be higher or lower than the purchase price in the Tender Offer, and some of these factors are enumerated in the filings FSIC makes with the SEC. FSIC undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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FSIC has listed on the NYSE and announces commencement of tender offer

Notifications begin today to stockholders for modified "Dutch Auction" tender offer



FSIC announces commencement of tender offer to purchase up to \$250 million of its common stock

FS Investment Corporation (FSIC) will begin notifications to stockholders today that it has commenced a modified "Dutch Auction" tender offer.

VIEW	FSICLIST.COM This tool includes samples of the tender offer documents
READ	FSIC'S LATEST ANNOUNCEMENT ON THE LISTING This press release provides additional information on FSIC's tender offer
CALL	INFORMATION AGENT FOR THE OFFERING: Georgeson 888-566-3252 fsinvestment@georgeson.com Client Relations Team For answers to client specific questions, call 877-628-8575, prompt 3

If your clients have no desire to tender their shares, they may disregard the tender materials.

For more information

You can email ASKFSIC@franklinsquare.com
or visit www.FSICLIST.com



2929 Arch Street, Suite 675 | Philadelphia, PA 19104
www.franklinsquare.com

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This communication is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities of FSIC. The full details of the tender offer, including complete instructions on how to tender shares, are included in the Offer to Purchase, dated April 16, 2014, the related Letter of Transmittal and the other documents related to the tender offer (referred to herein as the Tender Materials), which FSIC has filed with the Securities and Exchange Commission (SEC) and is distributing to stockholders. Stockholders are urged to carefully read the Tender Materials because they contain important information, including the terms and conditions of the tender offer. Stockholders may obtain free copies of the Tender Materials at the SEC website at <http://www.sec.gov> or by calling Georgeson Inc., the information agent for the tender offer, at (888) 566-3252 (Toll Free). Questions and requests for assistance by retail stockholders may be directed to Georgeson Inc. at (888) 566-3252 (Toll Free). Questions and requests for assistance by institutional stockholders may be directed to Wells Fargo Securities, LLC, the Dealer Manager for the tender offer, at: (212) 214-6400 or (877) 450-7515 (Toll Free). In addition, stockholders may obtain free copies of FSIC's filings with the SEC from FSIC's website at: www.fsinvestmentcorp.com or by contacting FSIC at Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104 or by phone (877) 628-8575.

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This message and any attachments are intended only for the use of the addressee and may contain information that is privileged and confidential. If the reader of the message is not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any use, review, retransmission, dissemination, distribution, copying, printing, or any other use or action taken in reliance upon this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by replying to this email message or by telephone at 877-372-9880 and delete the message and any attachments from your system. The contents of any email and its attachments which are sent by or to the sender may be subject to monitoring, review and archive. Any statements or opinions expressed in this email are those of the sender and do not necessarily represent those of sender's employer, its affiliated companies or any other person. Although the sender's employer attempts to sweep email and attachments for viruses, it does not guarantee that it is virus-free and accepts no liability for any damages as a result of viruses.

Franklin Square Capital Partners is not affiliated with Franklin Resources/Franklin Templeton Investments or the Franklin Funds.

To view the web version, please click [here](#). If you prefer to no longer receive emails, please click [here](#).

FS INVESTMENT CORPORATION

Lock-Up Agreement

[—], 2014

FS Investment Corporation
Cira Centre
2929 Arch Street, Suite 675
Philadelphia, PA 19104

RE: Listing on the New York Stock Exchange, LLC (the "**NYSE**")

Ladies & Gentlemen:

The undersigned is or may become an owner of record or beneficial owner of certain shares of common stock, par value \$0.001 per share ("**Shares**"), of FS Investment Corporation (the "**Company**"). The Company proposes to carry out a listing of Shares on the NYSE (the "**Listing**"). The undersigned recognizes that the Listing will be of benefit to the undersigned and will benefit the Company by, among other things, providing liquidity to holders of Shares. The undersigned acknowledges that you are relying on the representations and agreements of the undersigned contained in this Agreement in carrying out the Listing.

In consideration of the foregoing, the undersigned hereby agrees that the undersigned will not, and will cause any spouse or immediate family member (as defined below) of the spouse or the undersigned living in the undersigned's household not to, without the prior written consent of the Company (which consent may be withheld its sole discretion), directly or indirectly, sell, offer, contract or grant any option to sell (including without limitation any short sale), pledge, transfer, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) promulgated under the Securities Exchange Act of 1934, as amended (the "**Securities Act**"), or otherwise dispose of or transfer any of the economic consequences of ownership of, or announce the offering of, or file any registration statement under the Securities Act in respect of, any Shares, options or warrants to acquire Shares, or securities exchangeable or exercisable for or convertible into Shares currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), by the undersigned (including holding as custodian) or such spouse or immediate family member, or publicly announce an intention to do any of the foregoing, for a period commencing on the date of the Listing and continuing through the close of trading on the date 180 days after the date of the Listing (the "**Lock-Up Period**").

The foregoing restrictions are expressly agreed to preclude the undersigned from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the undersigned's Shares even if such Shares would be disposed of by someone other than the undersigned. However, the foregoing restrictions shall not apply to (i) transactions relating to Shares or other securities acquired in

open market transactions after the completion of the Listing, (ii) a bona fide gift or gifts, (iii) the transfer of any or all Shares owned by the undersigned, either during the undersigned's lifetime or on death, by gift, will or intestate succession to an immediate family member of the undersigned or to a trust, partnership, limited liability company or other entity for the direct or indirect benefit of the undersigned and/or a member or members of the undersigned's immediate family, (iv) the transfer to one or more affiliates of the undersigned or a distribution to limited partners, members or shareholders of the undersigned, (v) as a transfer to a nominee or custodian of a person or entity to whom a disposition or transfer would be permitted under this Agreement, or (vi) the entry into any trading plan established pursuant to Rule 10b5-1 under the Exchange Act, provided that such plan does not provide for any sales or other dispositions of Shares during the Lock-Up Period; provided, however, that in the case of (ii), (iii) and (iv) above, it shall be a condition to such transfer that the transferee executes and delivers to the Company an agreement stating that the transferee is receiving and holding the Shares subject to the provisions of this Agreement, and there shall be no further transfer of such Shares, except in accordance with this Agreement. For purposes of this Agreement, "**immediate family member**" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of Shares or securities convertible into or exchangeable or exercisable for Shares held by the undersigned except in compliance with the foregoing restrictions.

This Agreement shall automatically terminate upon the earliest to occur, if any, of (1) the Company advising the undersigned in writing that it has determined not to proceed with the Listing; (2) June 30, 2014, in the event that the Listing has not been consummated by that date; and (3) the end of the Lock-Up Period.

This Agreement is irrevocable and will be binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned.

[Signature Page Follows]

Name of Holder

Authorized Signature

Date

[Signature Page to Lock-Up Agreement]