

K I L R O Y
R E A L T Y

C O R P O R A T I O N

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January 18, 2018

To Whom It May Concern:

Common Stock:

The Company's distributions per share of Common Stock CUSIP #49427F108, traded under the symbol KRC, are to be classified as follows for income tax purposes:

Record Date	Payable Date	Total Distribution per Share	Total Distribution Attributable to 2017	2017 Taxable Ordinary Dividend	2017 Total Qualified Dividend ⁽¹⁾	2017 Total Capital Gain Distribution	2017 Unrecaptured Section 1250 Gain ⁽²⁾	2017 Return of Capital
12/30/2016	1/13/2017	\$2.2750000 ⁽³⁾	\$.6879937	\$.4883784	\$.0007854	\$.0757891	\$.0757891	\$.1238262
3/31/2017	4/12/2017	.3750000	.3750000	.2661970	.0004281	.0413099	.0413099	.0674931
6/30/2017	7/12/2017	.4250000	.4250000	.3016900	.0004852	.0468178	.0468178	.0764922
9/29/2017	10/18/2017	.4250000	.4250000	.3016900	.0004852	.0468178	.0468178	.0764922

(1) Total Qualified Dividend is a subset of, and is included in, the Taxable Ordinary Dividend amount.

(2) Unrecaptured Section 1250 Gain is a subset of, and is included in, the Total Capital Gain Distribution amount.

(3) Amount consists of a \$1.90 per share special distribution and a \$0.375 per share regular quarterly distribution.

The \$2.2750000 per share common stock distribution with a record date of December 30, 2016 consists of a \$1.90 per share special distribution and a \$0.375 per share regular quarterly distribution. The \$1.90 per share special distribution is treated as paid in two tax years for income tax purposes: \$1.5870063 is treated as paid on December 31, 2016 and \$0.3129937 is treated as paid on January 13, 2017. The \$0.375 per share regular quarterly distribution is considered a 2017 dividend distribution for income tax purposes.

The dividend distributions made to holders of record as of December 29, 2017 and paid on January 12, 2018 are considered 2018 dividend distributions for federal income tax purposes.

Alternative Minimum Tax:

Alternative minimum tax adjustments are to be apportioned between a real estate investment trust ("REIT") and its shareholders under Internal Revenue Code Section 59(d). Although no regulations have been issued under that provision, based on the legislative history of the current provision, it appears that alternative minimum tax adjustments are to be apportioned to a REIT's shareholders to the extent that the REIT distributes all of its regular taxable income in the taxable

year. Since the Company distributed all of its regular taxable income in 2017, all of the company's alternative minimum tax adjustments are being apportioned to the company's shareholders.

The company has determined that 0.1027317% of each taxable distribution to its shareholders for the tax year ended December 31, 2017 consists of an alternative minimum tax adjustment (i.e., for each \$1 of dividend reportable by a shareholder, \$0.001027317 represents a positive alternative minimum tax adjustment). To determine your share of the Company's positive alternative minimum tax adjustment, multiply the aggregate dollar amount of your reportable 2017 dividend from the Company (the sum of the amounts shown in Boxes 1a and 2a of the Company's 2017 Form 1099-DIV) by 0.1027317%.

Series G Preferred Stock:

The Company's distributions per share of Series G Preferred Stock CUSIP #49427F702, traded under the symbol KRC-PRG, are to be classified as follows for income tax purposes:

Record Date ⁽¹⁾	Payable Date	Total Distribution per Share	2017 Taxable Ordinary Dividend	2017 Total Qualified Dividend ⁽²⁾	2017 Total Capital Gain Distribution	2017 Unrecaptured Section 1250 Gain ⁽³⁾	2017 Return of Capital
1/31/2017	2/15/2017	\$.4296875	\$.3719642	\$.0005982	\$.0577233	\$.0577233	-

(1) To the extent that the record date is on a Saturday, Sunday or New York Stock Exchange holiday, the effective record date shall be the immediately preceding business day.

(2) Total Qualified Dividend is a subset of, and is included in, the Taxable Ordinary Dividend amount.

(3) Unrecaptured Section 1250 Gain is a subset of, and is included in, the Total Capital Gain Distribution amount.

Series H Preferred Stock:

The Company's distributions per share of Series H Preferred Stock CUSIP #49427F801, traded under the symbol KRC-PRH, are to be classified as follows for income tax purposes:

Record Date ⁽¹⁾	Payable Date	Total Distribution per Share	2017 Taxable Ordinary Dividend	2017 Total Qualified Dividend ⁽²⁾	2017 Total Capital Gain Distribution	2017 Unrecaptured Section 1250 Gain ⁽³⁾	2017 Return of Capital
1/31/2017	2/15/2017	\$.3984375	\$.3449122	\$.0005547	\$.0535253	\$.0535253	-
4/30/2017	5/15/2017	.3984375	.3449122	.0005547	.0535253	.0535253	-
7/31/2017	8/15/2017	.3984375	.3449122	.0005547	.0535253	.0535253	-

(1) To the extent that the record date is on a Saturday, Sunday or New York Stock Exchange holiday, the effective record date shall be the immediately preceding business day.

(2) Total Qualified Dividend is a subset of, and is included in, the Taxable Ordinary Dividend amount.

(3) Unrecaptured Section 1250 Gain is a subset of, and is included in, the Total Capital Gain Distribution amount.

Stockholders are encouraged to consult with their tax advisors as to their specific tax treatment for Kilroy Realty Corporation common and preferred distributions.

Sincerely,

/S/ HEIDI R. ROTH _____

Heidi R. Roth
Executive Vice President and Chief Accounting Officer