

K I L R O Y

R E A L T Y

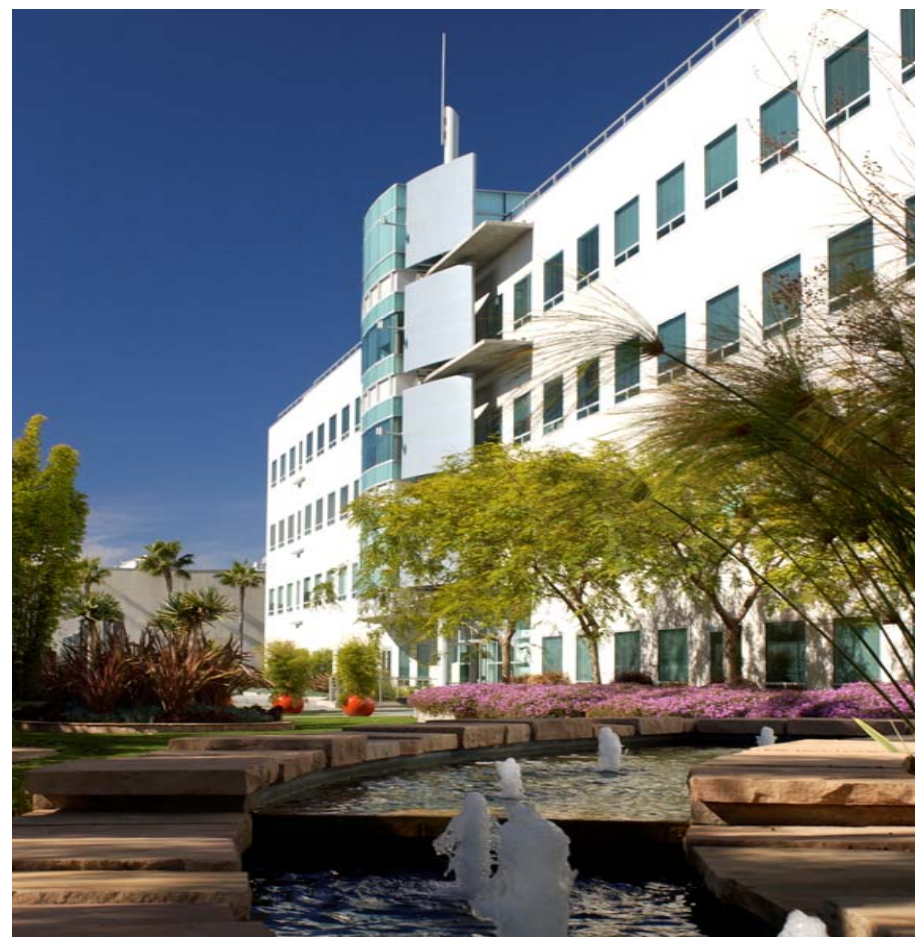
C O R P O R A T I O N

**NAREIT's Investor Forum
June 5-7, 2007**

Some of the enclosed information presented is forward-looking in nature. Although the information is based on the company's current best judgment, actual results could vary from expectations stated here. Development plans are by their very nature preliminary and subject to change. As development plans are refined, the Company expects that results related to its development projects will change, including returns, investment and timing. Numerous factors will affect KRC's actual results, some of which are beyond the company's control. These include the timing and strength of regional economic growth, the strength of commercial and industrial real estate markets, competitive market conditions, future interest rate levels and capital market conditions.

Company Overview

- KRC has the premier development franchise in Southern California
- Local economies continue to generate job growth
- Stabilized portfolio is 94% occupied
- \$383 million of development under construction – 76% preleased
- Strong balance sheet

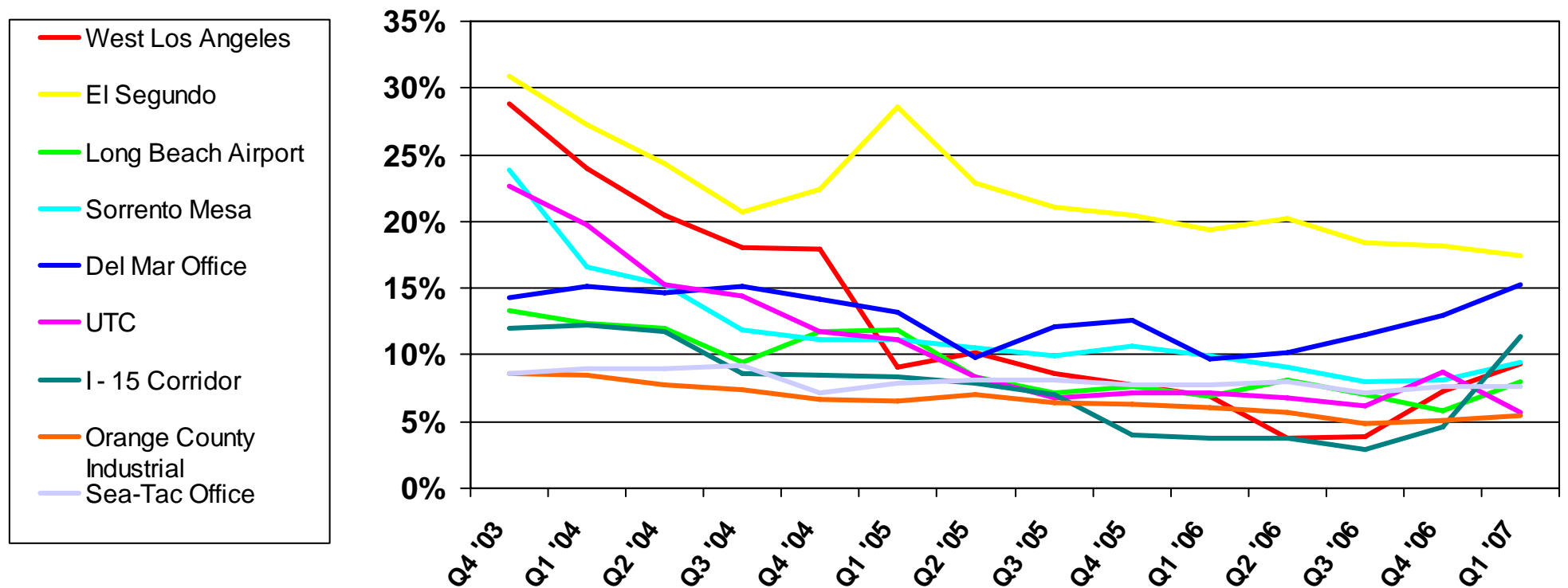


12200 West Olympic Boulevard, Los Angeles

Recent Developments

- Completed three acquisitions in the first quarter
 - 11 acre Santa Fe Summit Phase III land site for \$28 million
 - 32 acre Carlsbad land site for \$16 million
 - 104,000 square foot, two building Sabre Springs Corporate Center campus for \$25 million
- Achieved cash and GAAP rent growth in first quarter of 15% and 36%, respectively
- Completed \$460 million convertible debt offering
 - No outstandings on bank line

Low Market Vacancy Rates



\$383 Million of Development Underway

- \$383 million of new office development under construction
 - 1.3 million square feet
 - 76% preleased
 - 9% and 10% cash and GAAP returns, respectively
- Future pipeline in San Diego of \$700 million to \$1 billion
 - 2.0 million to 2.7 million square feet
- 100% leased Santa Fe Summit Phase I and Pacific Corporate Center campuses to come on line in third quarter



*Pacific Corporate Center
Cardinal Health - Sorrento Mesa, San Diego*

Committed Development: ICC – 15004 Innovation Drive

- 146,000 square foot development project located on the I-15 Corridor
- 100% pre-leased to Scripps Health
- Total estimated investment of approximately \$51 million
- Expected completion in Q3 of 2008



*Innovation Corporate Center
Scripps Health – I-15 Corridor, San Diego*

Future Development: Santa Fe Summit, Phases II and III

- Located on 56 Freeway between I-5 and I-15 Freeways; easterly extension of Del Mar sub-market
- Purchased Phase III land in January
- Current Phase II and III plans include three office buildings totaling 580,000 square feet plus 20,000 square feet of retail
- After completion of Phases II and III, Santa Fe Summit will total approximately 1.1 million square feet of new office space



Santa Fe Summit – Phase III, San Diego

Construction in Progress

(as of 3/31/07, sq. ft. in 000s; \$ in millions)

	<u>Sq. Ft.</u>	<u>Estimated Completion Date</u>	<u>Tenant</u>	<u>Estimated Investment</u>	<u>% Committed</u>
Santa Fe Summit - Phase I	466	3Q 2007	Intuit	\$ 145.2	100%
PCC - Lots 3, 4 & 6	318	3Q 2007	Cardinal Health	76.9	100%
Kilroy Sabre Springs - Phase III	143	4Q 2007	TBD	64.0	0%
ICC - 15004 Innovation Drive	146	3Q 2008	Scripps Health	51.1	100%
Sorrento Gateway - Lot 3	56	4Q 2007	TBD	21.6	0%
2240 E. Imperial Highway - Kilroy Airport Center	107	3Q 2007	DirecTV	14.8	77%
Sabre Springs Corporate Center	<u>104</u>	3Q 2007	TBD	<u>9.4</u> ⁽¹⁾	0%
Total	<u><u>1,340</u></u>			<u><u>\$ 383.0</u></u>	76%

(1) Excludes \$24.7 million acquisition cost

Upon completion of current development, 60% of KRC NOI will come from properties developed since 1997

Future Development Summary

(as of 3/31/07, sq. ft. in 000s; \$ in millions)

	<u>Sq. Ft.</u>	<u>Estimated Investment</u>
Future Development - 100% Owned		
Kilroy Centre Rancho Bernardo	800 - 1,500	\$250 - 563
Carlsbad Oaks	288	83
Pacific Corporate Center - Lot 8	95	32
Santa Fe Summit - Phase II & III	600	300
Sorrento Gateway - Lot 1	54	19
Sorrento Gateway - Lot 2	80	32
Sorrento Gateway - Lot 7	57	24
Total	<u>1,974 - 2,674</u>	<u>\$740 - 1,053</u>

Outlook

- Southern California outperforming other regions
- High-quality portfolio in key coastal sub-markets
- Optimistic about future development opportunities
- Balance sheet flexibility
- 60 years of experience in managing through cycles



12400 High Bluff Drive, Del Mar

KILROY

REALTY

CORPORATION