

Kilroy Realty Corporation Wins 2017 ENERGY STAR Partner of the Year - Sustained Excellence Award

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LOS ANGELES--(BUSINESS WIRE)--Apr. 6, 2017-- Kilroy Realty Corporation (NYSE: KRC) announced today that the U.S. Environmental Protection Agency (EPA) has for the fourth year in a row recognized KRC as an ENERGY STAR Partner of the Year. In addition, the EPA has also recognized KRC for the second time with its Sustained Excellence designation, which is the Agency's highest honor.

The EPA's annual ENERGY STAR Awards honor organizations that have made outstanding contributions to protecting the environment through superior energy efficiency. In its last reporting year, ENERGY STAR and its partners saved American businesses and consumers 503 billion kilowatt hours and \$34 billion on their energy bills, while achieving broad emission reductions.

The award winners are chosen from nearly 16,000 partners that participate in the ENERGY STAR program, and the selection is extremely competitive. Commercial landlords that win the prestigious award have demonstrated an organization-wide commitment to reducing energy costs for their tenants in partnership with ENERGY STAR. Only organizations that have consistently earned Partner of the Year for several years are eligible to earn the Sustained Excellence designation, and their annual achievements must continue to surpass those in previous years.

"Energy efficiency continues to be a core operational focus at KRC," said John Fucci, Executive Vice President, Asset Management. "The ENERGY STAR program communicates our commitment to sustainability and gives us the tools we need to achieve and demonstrate our energy reduction progress."

KRC's key 2016 accomplishments related to award-winning energy management programs included:

- 50 properties (8.4 million square feet) earned the ENERGY STAR label in 2016, representing 69% of the KRC eligible stabilized portfolio
- KRC recognized the work of its asset managers through an award-winning social media campaign
- KRC's office portfolio experienced a drop in energy use of 4.4%, over 8,000 megawatt-hours, even though occupancy increased over the same timeframe
- The annual CO2 reduction was equivalent to taking 1,213 cars off the road for a year, providing a year of electricity to 606 homes, planting 148,784 trees and letting them grow for 10 years, and avoiding burning over 30.6 railcars' worth of coal
- Since the 2010 launch of our energy efficiency programs, KRC has cumulatively reduced its energy consumption by nearly 29,700 megawatt-hours, decreasing operational spend by approximately \$5.5 million (<http://www.epa.gov/cleanenergy/energy-resources/calculator.html#results>)

The award winners, including KRC, will be recognized at an awards ceremony in Washington, D.C. on April 26th. For a complete list of 2017 winners and more information about ENERGY STAR's awards program, visit www.energystar.gov/awardwinners

About ENERGY STAR. ENERGY STAR has 16,000 partners working to protect the environment through greater energy efficiency, including manufacturers, retailers, public schools, hospitals, real estate companies, and home builders. Since 1992, ENERGY STAR and its partners have saved American families and businesses \$430 billion on their energy bills and 4.6 trillion kilowatt-hours of energy, while achieving broad emissions reductions—including 2.8 billion metric tons of greenhouse gas emissions.

ENERGY STAR[®] is the simple choice for energy efficiency. For 25 years, EPA's ENERGY STAR program has been America's resource for saving energy and protecting the environment. Join the millions already making a difference at energystar.gov.

About Kilroy Realty Corporation. With approximately 70 years' experience owning, developing, acquiring and managing real estate assets in West Coast real estate markets, Kilroy Realty Corporation (KRC), a publicly traded real estate investment trust and member of the S&P MidCap 400 Index, is one of the region's premier landlords. The company provides physical work environments that foster creativity and productivity and serves a broad roster of dynamic, innovation-driven tenants, including technology, entertainment, digital media and health care companies.

At December 31, 2016, the company's stabilized portfolio totaled approximately 14.0 million square feet of office space and 200 residential units located in the coastal regions of Los Angeles, Orange County, San Diego, the San Francisco Bay Area and greater Seattle. The company is recognized byGRESB as the North American leader in sustainability and was ranked first among 178 North American participants across all asset types. At the end of the fourth quarter, the company's properties were 51% LEED certified and 69% of eligible properties were ENERGY STAR certified. In addition, KRC had two office projects totaling approximately 1.1 million square feet, 237 residential units and 96,000 square feet of retail space under construction. The company also had one office project in lease-up encompassing approximately 377,000 square feet. More information is available at <http://www.kilroyrealty.com>.

Forward-Looking Statements. This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on our current expectations, beliefs and assumptions, and are not guarantees of future performance. Forward-looking statements are inherently subject to uncertainties, risks, changes in circumstances, trends and factors that are difficult to predict, many of which are outside of our control. Accordingly, actual performance, results and events may vary materially from those indicated in forward-looking statements, and you should not rely on forward-looking statements as predictions of future performance, results or events. Numerous factors could cause actual future performance, results and events to differ materially from those indicated in forward-looking statements, including, among others, risks associated with: global market and general economic conditions and their effect on our liquidity and financial conditions and those of our tenants; adverse economic or real estate conditions generally, and specifically, in the States of California and Washington; investment in our real estate assets, which are illiquid; trends in the real estate industry; defaults on or non-renewal of leases by tenants; any significant downturn in tenants' businesses; our ability to release property at or above current market rates; costs to comply with government regulations, including environmental remediations; the availability of cash for distribution and debt service and exposure to risk of default under debt obligations; increases in interest rates and our ability to manage interest rate exposure; the availability of financing on attractive terms or at all, which may adversely impact our future interest expense and our ability to pursue development, redevelopment and acquisition opportunities and refinance existing debt; a decline in real estate asset valuations, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing; significant competition, which may decrease the occupancy and rental rates of properties; potential losses that may not be covered by insurance; the ability to successfully complete acquisitions and dispositions on announced terms; the ability to successfully operate acquired, developed and redeveloped properties; the ability to successfully complete development and redevelopment projects on schedule and within budgeted amounts; delays or refusals in obtaining all necessary zoning, land use and other required entitlements, governmental permits and authorizations for our development and redevelopment properties; increases in anticipated capital expenditures, tenant improvement and/or leasing costs; defaults on leases for land on which some of our properties are located; adverse changes to, or implementations of, applicable laws, regulations or legislation; risks associated with joint venture investments, including our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between us and our co-venturers; environmental uncertainties and risks related to natural disasters; and our ability to maintain our status as a REIT. These factors are not exhaustive. For a discussion of additional factors that could materially adversely affect our business and financial performance, see the factors included under the caption "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2016 and our other filings with the Securities and Exchange Commission. All forward-looking statements are based on information that was available, and speak only as of the date on which they are made. We assume no obligation to update any forward-looking statement made in this press release that becomes untrue because of subsequent events, new information or otherwise, except to the extent required in connection with ongoing requirements under U.S. securities laws.

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