

KILROY REALTY

Investor Day

June 4, 2018

KILROY

DISCLAIMER

This presentation 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 the forward-looking statements, and you should not rely on the 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 the forward-looking statements, including, among others: 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; risks associated with our investment in real estate assets, which are illiquid, and with trends in the real estate industry; defaults on or non-renewal of leases by tenants; any significant downturn in tenants' businesses; our ability to re-lease property at or above current market rates; costs to comply with government regulations, including environmental remediation; 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, and which may result in write-offs or impairment charges; 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, as well as business and consumer reactions to such changes; 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 and additional factors could adversely affect our business and financial performance. 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, 2017 and our other filings with the Securities and Exchange Commission. All forward-looking statements are based on currently available information, 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 presentation that becomes untrue because of subsequent events, new information or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws. Specifically, disclosures relating to development projects, such as project timing, costs, estimated total investments, developable square feet and scope could change materially from estimated data provided due to one of more of the following: any significant changes in the economy, market conditions, our markets, tenant requirements and demands, construction costs, new office supply, regulatory and entitlement processes or project design.

AGENDA

Company Overview

Around the Markets

KRC Operational Advantage

Life Science Platform

BREAK

Corporate Real Estate Panel

Development Strategy

Sustainability Highlights

Financial Overview

Q&A

John Kilroy

Rob Paratte

Jeff Hawken

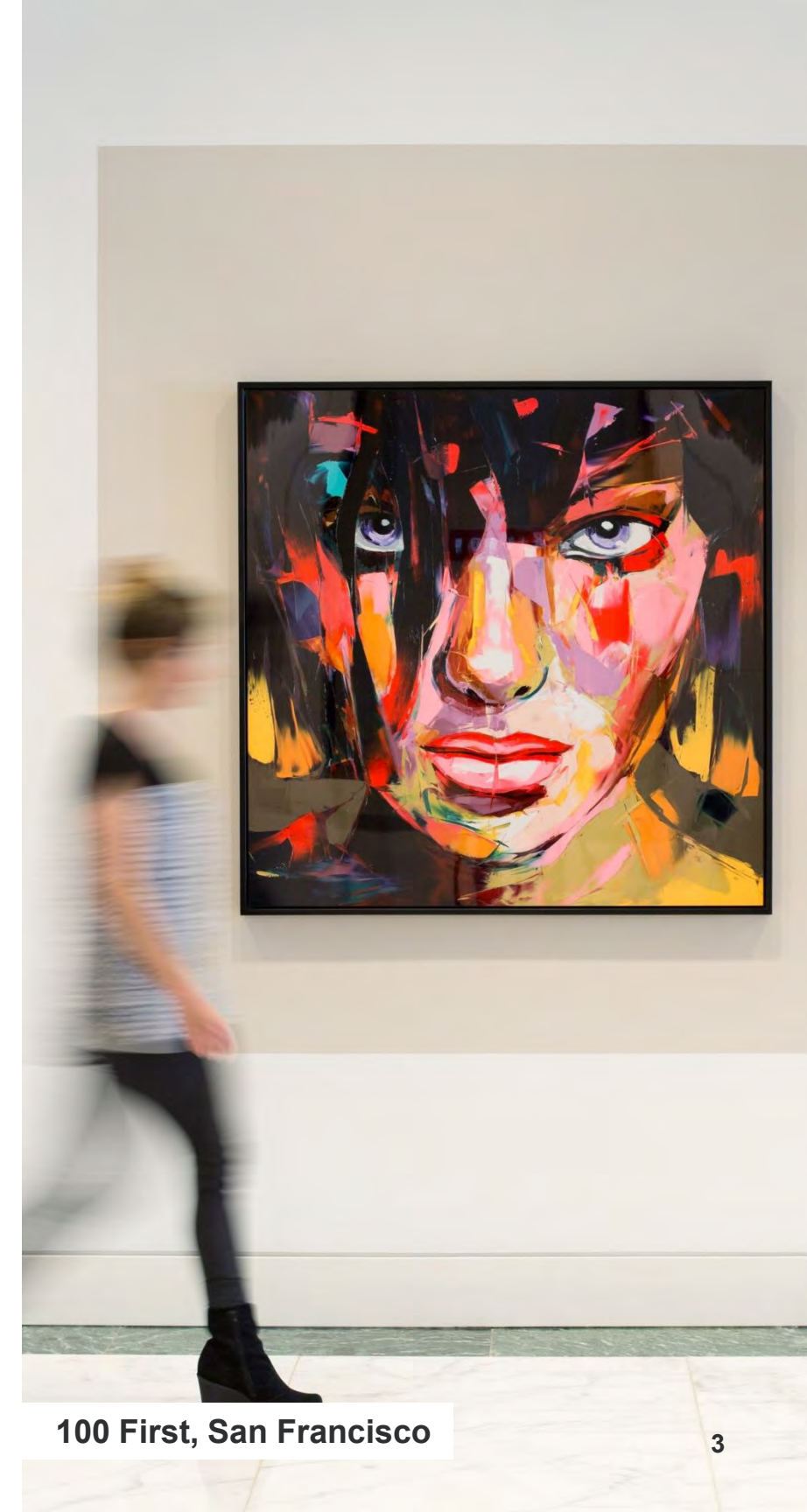
Tracy Murphy

Elliott Trencher

John Kilroy

Sara Neff

Tyler Rose



100 First, San Francisco

COMPANY OVERVIEW

JOHN KILROY
Chairman and CEO



SIX KEY HIGHLIGHTS



Company Transformation.
Elite West Coast office REIT.



Portfolio Evolution.
Modern, sustainable, high quality properties.



Capital Allocation.
Track record of value creation.



Management Team.
Dynamic, well-rounded and experienced.



Balance Sheet.
Conservatively capitalized and positioned for flexibility.



Positioned for Growth.
Best-in-class platform to drive shareholder value.

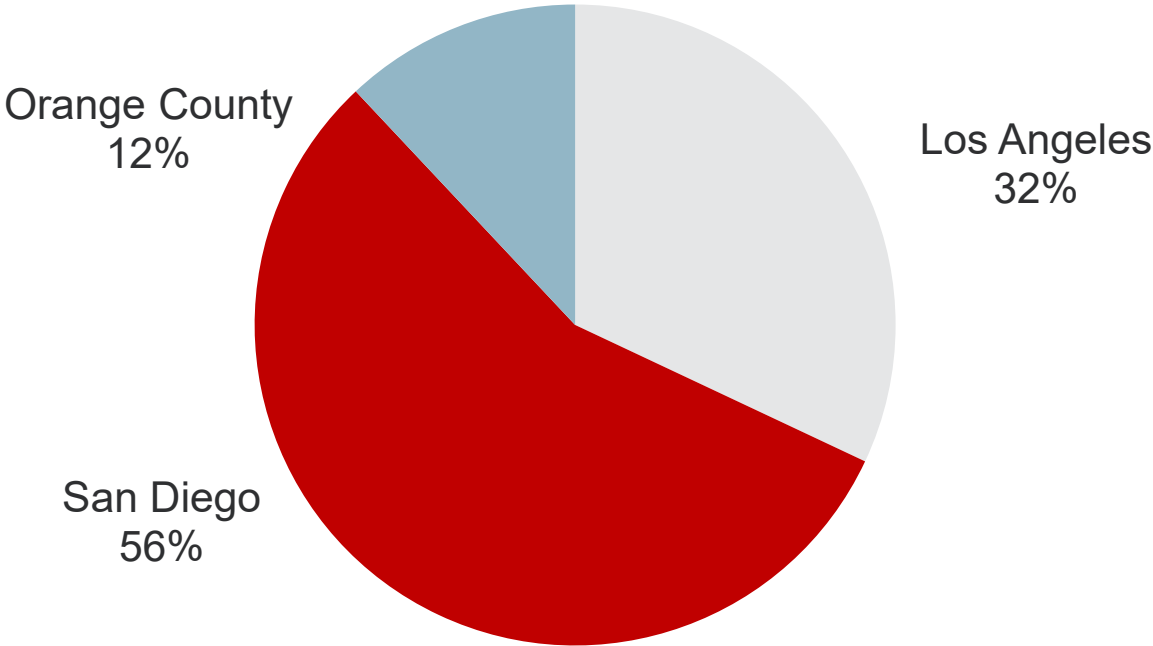


Flower Mart, San Francisco

COMPANY TRANSFORMATION

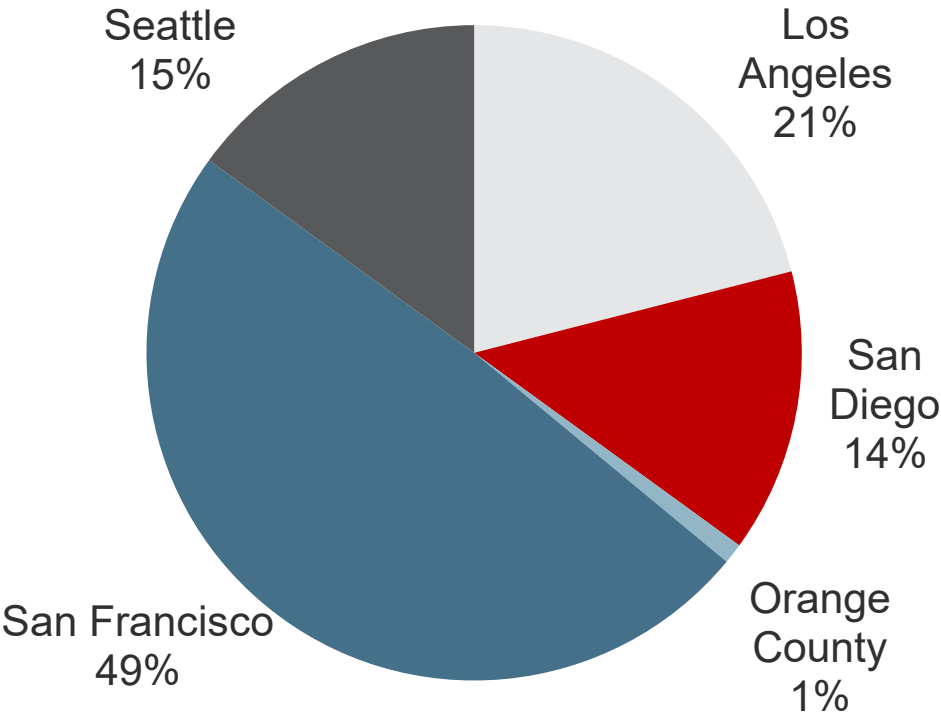
From Southern California Portfolio to a
Diversified West Coast Company

December 31, 2009



Total NOI: ~\$205MM

Today ⁽¹⁾

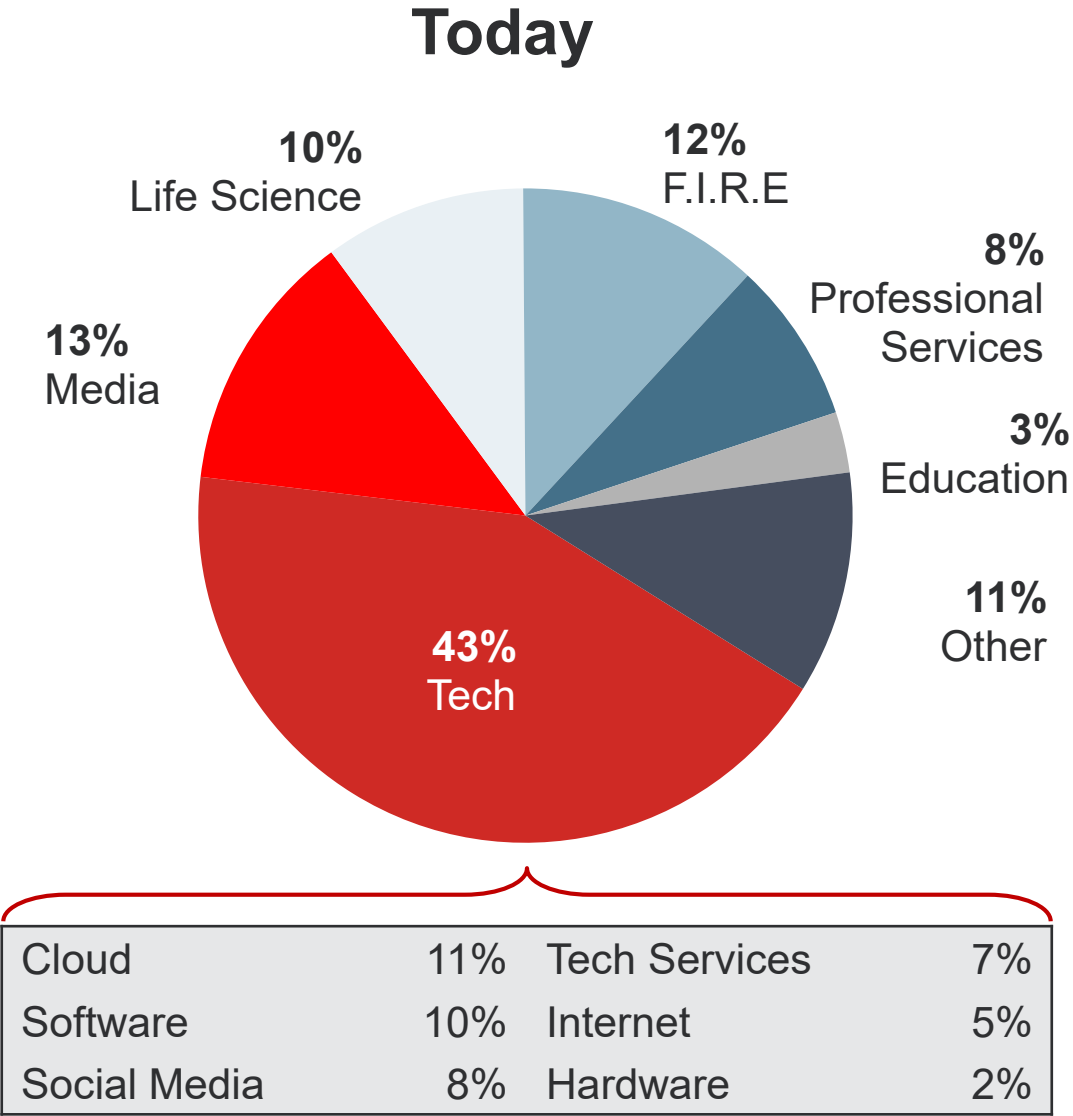
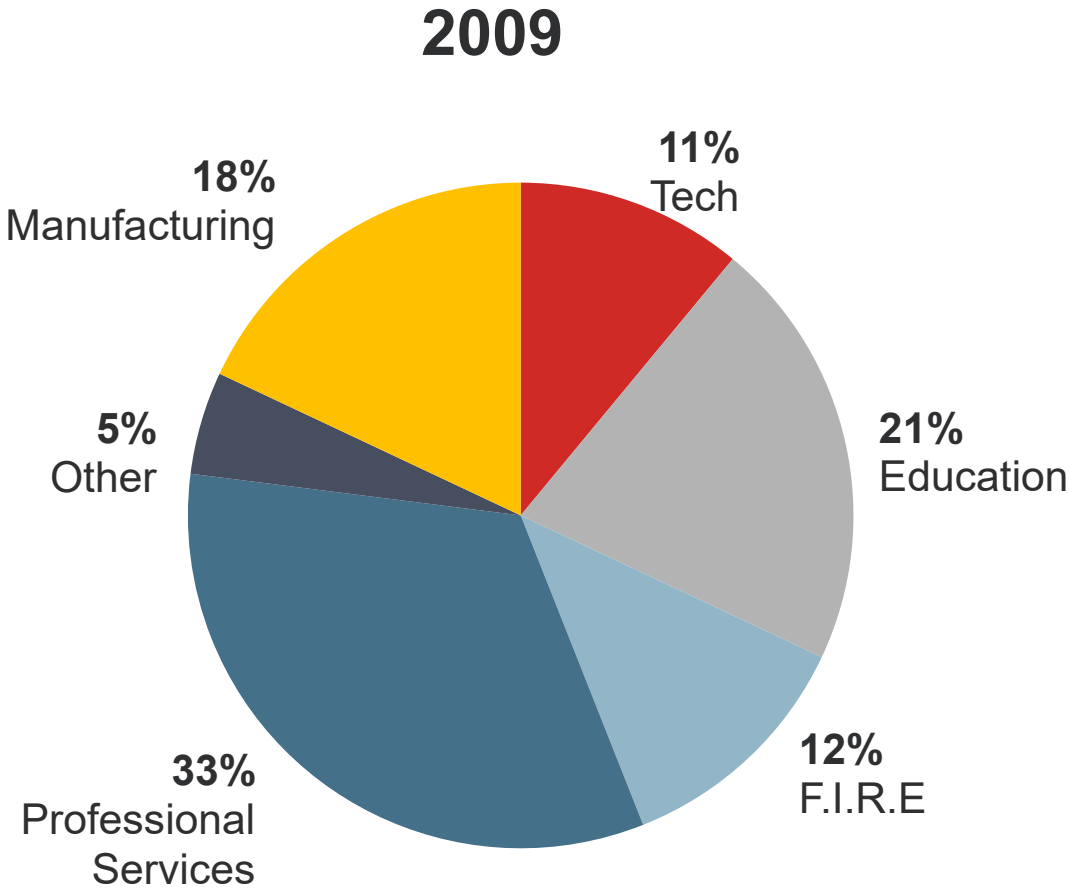


Total NOI: ~\$685MM

Note: Data based on GAAP NOI.
(1) "Today" is as of 03.31.18 pro forma for full-year contribution of Oyster Point Tech Center and stabilized returns from development projects under construction.

COMPANY TRANSFORMATION

Shift Towards Innovative, Growing Industries

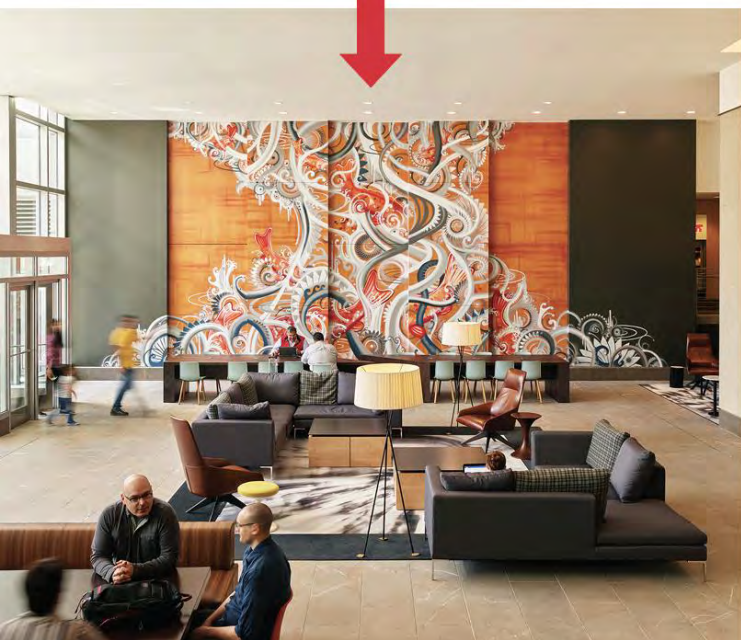


Note: Data based on ABR. "Today" is as of 03.31.18 pro forma for full-year contribution of Oyster Point Tech Center.

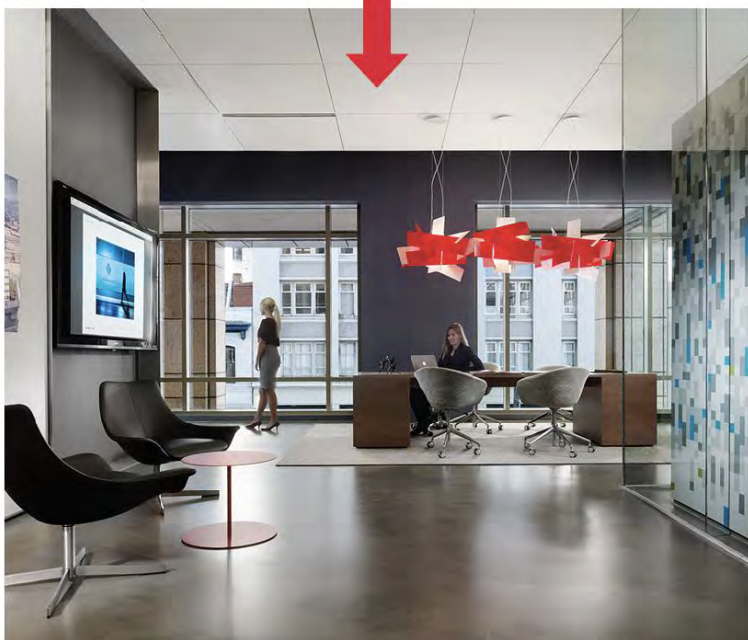
PORTFOLIO EVOLUTION

Creating the Modern Work Environment

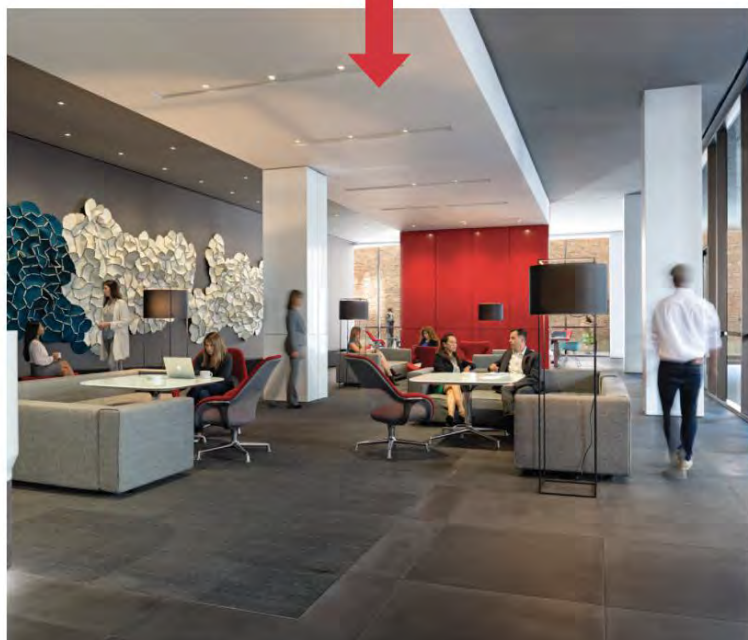
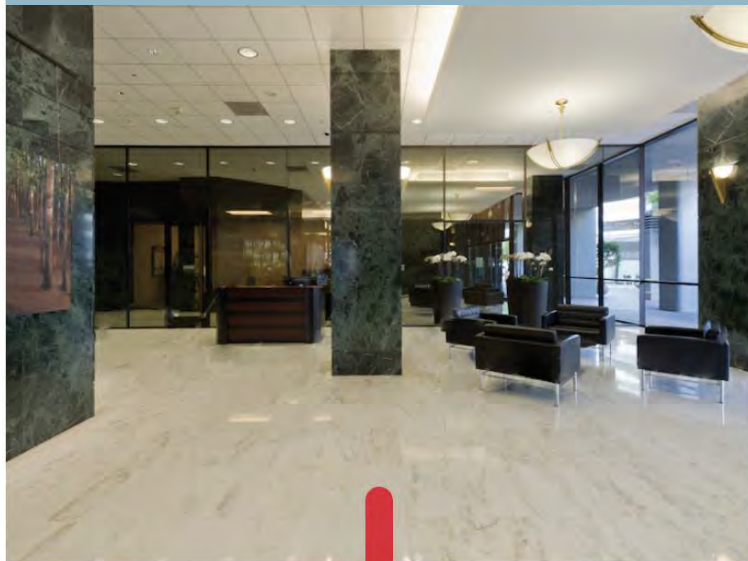
Key Center, Bellevue



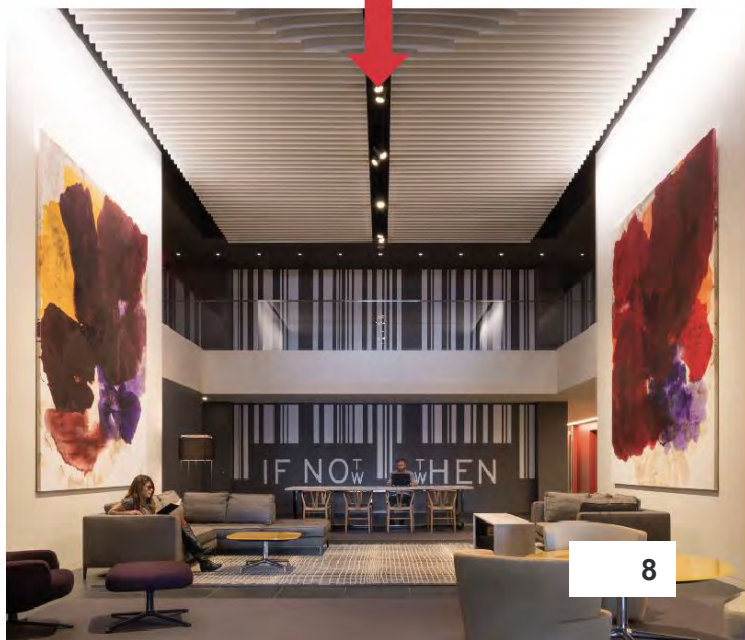
100 First St., San Francisco



201 Third St., San Francisco



Sunset Media Center, Hollywood



PORTFOLIO EVOLUTION

Developing World-Class Destination Projects

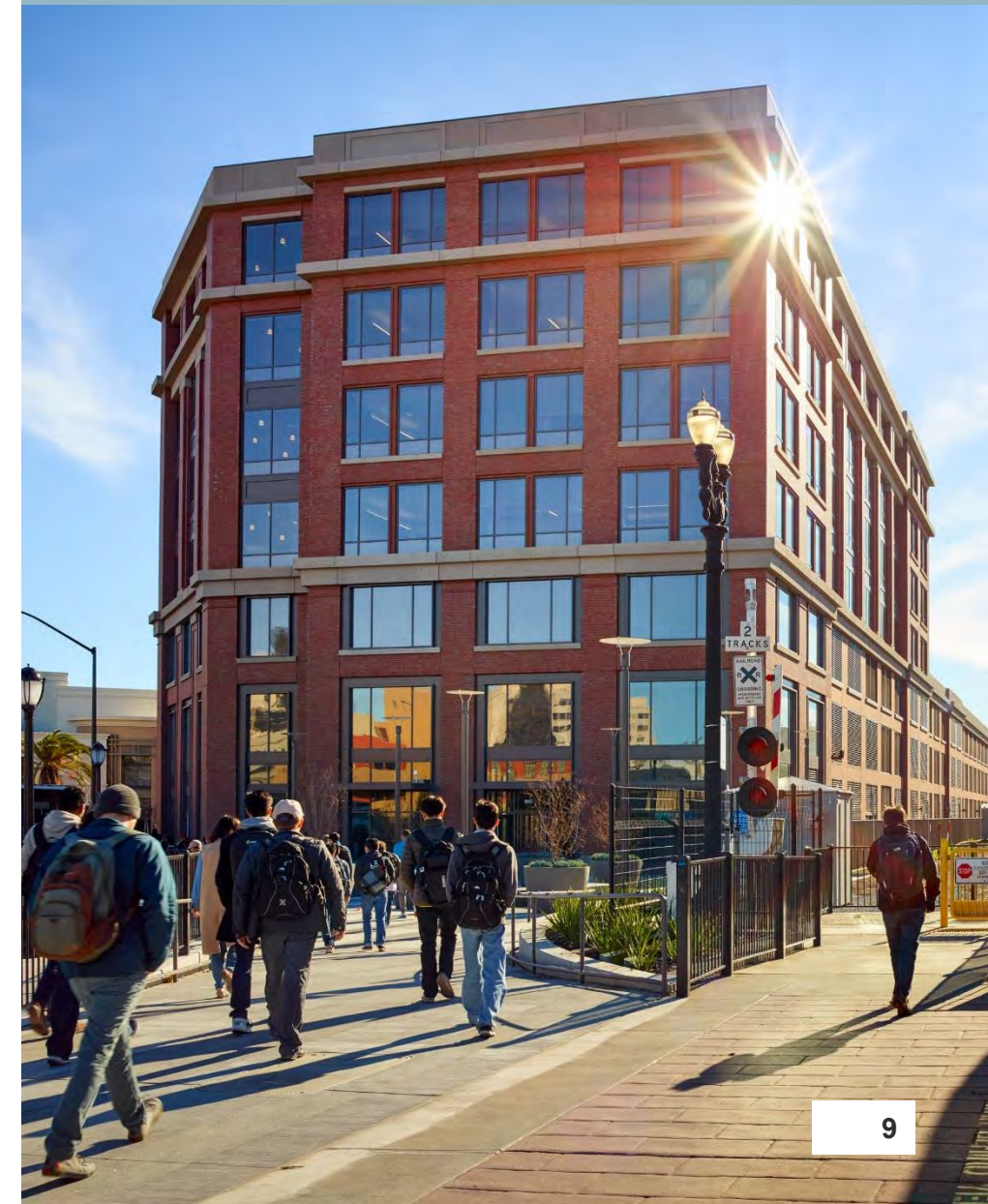
Columbia Square, Hollywood



350 Mission St., San Francisco



Crossing 900, Redwood City



PORTFOLIO EVOLUTION

Younger, Higher Quality, More Sustainable Portfolio Positioned for the Future

	2010	2018
Average Portfolio Age ⁽¹⁾	~15 years	~10 years
Office / Industrial Occupancy	89.1%	94.3%
Urban Centers	Walk Score: 44 Transit Score: 39 Bike Score: 52	Walk Score: 64 Transit Score: 65 Bike Score: 73
Sustainability	4% LEED certified 26% Energy Star certified	59% LEED certified 73% Energy Star certified

Data as of 1Q18.

Source: Walkscore.com / GBIG.org / CoStar.

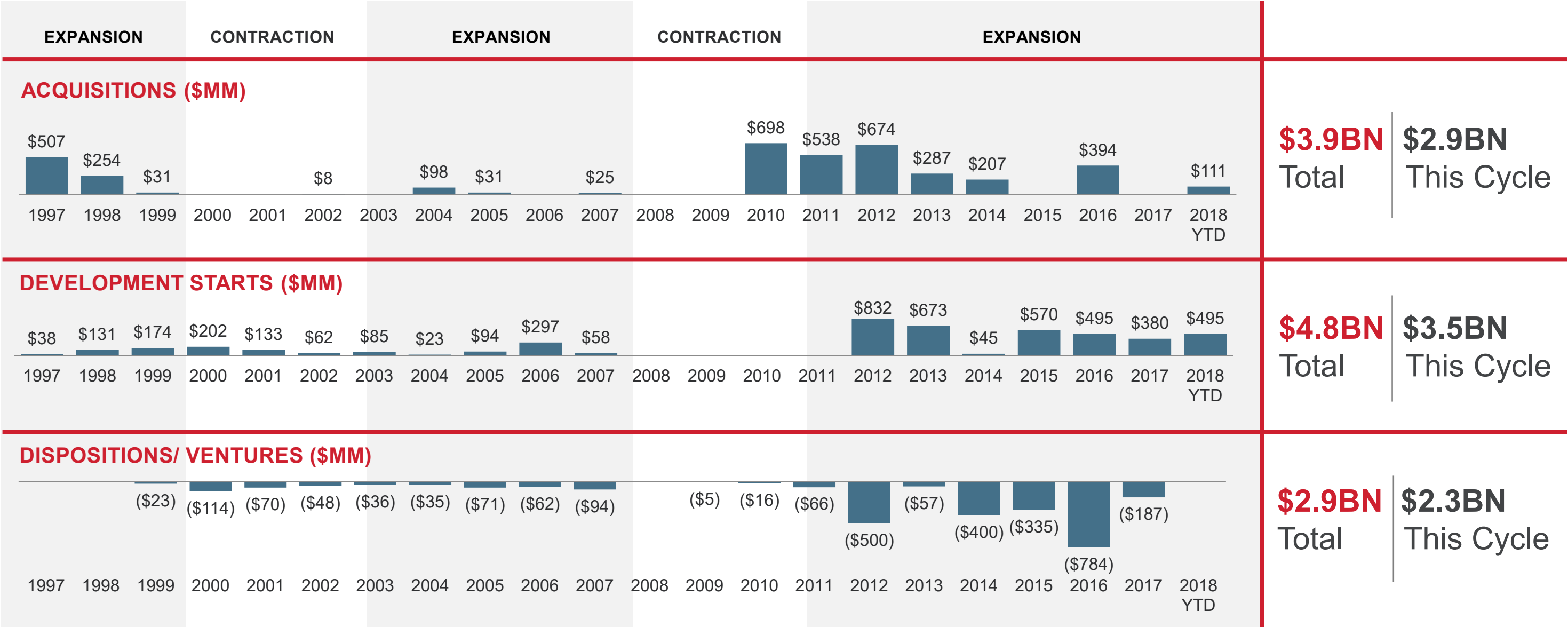
(1) Average age calculated based on time since construction completion or most recent renovation having the effect of modernizing the building, based on the Company's judgment.

	KRC	West Coast Peers ⁽¹⁾	Comparison
Average Portfolio Age	~10 years ⁽²⁾	~22 years	~12 years younger
Office Occupancy	94.3%	90.8%	~350 bps higher
Urban Centers	Walk Score: 64 Transit Score: 65 Bike Score: 73	Walk Score: 65 Transit Score: 63 Bike Score: 69	Comparable
Sustainability	59% LEED certified 73% Energy Star certified	35% LEED certified 52% Energy Star certified	20+% higher

Data as of 1Q18.
Source: Walkscore.com / GBIG.org / CoStar / peer group SEC filings.
(1) Includes West Coast properties for ARE, BXP, CXP, DEI, EQC, HCP, HPP, and PGRE.
(2) Average age calculated based on time since construction completion or most recent renovation having the effect of modernizing the building, based on the Company's judgment.

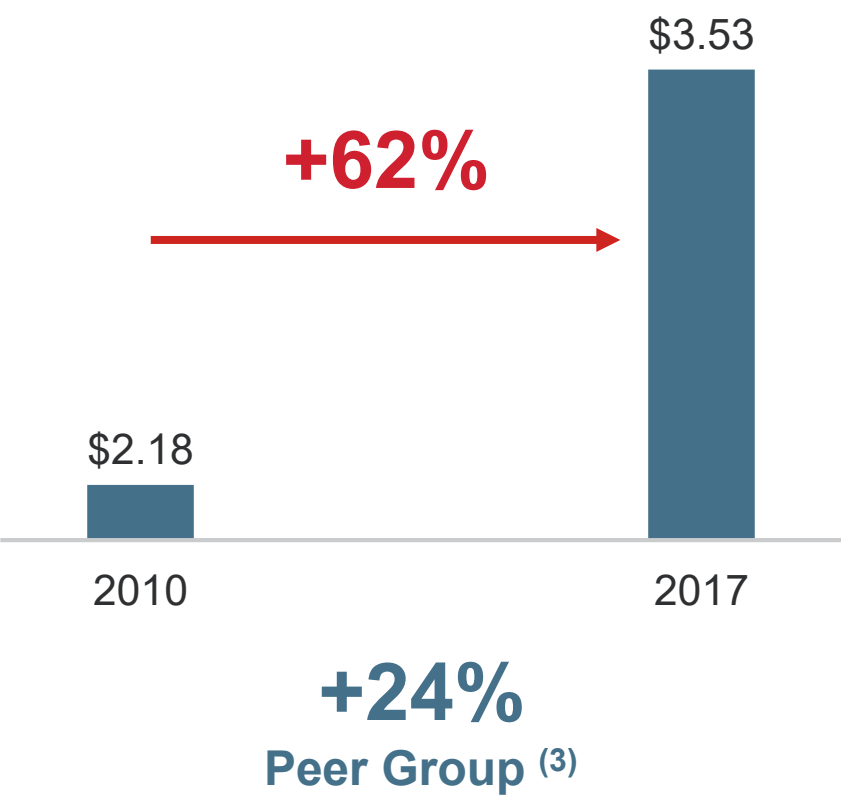
CAPITAL ALLOCATION

Disciplined Track Record Across Cycles

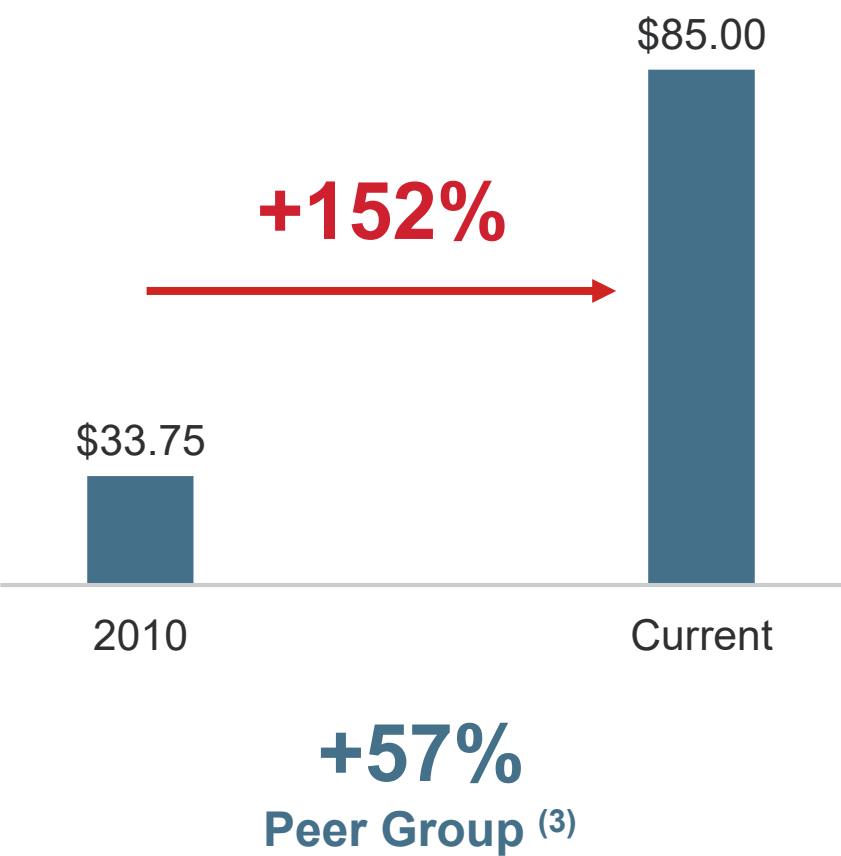


Note: "This Cycle" represents time period from 2010 to today. Acquisitions exclude purchase of development land sites.

Adjusted FFO / Share ⁽¹⁾



Green Street Advisors NAV / Share ⁽²⁾



(1) Based on reported FFO / share adjusted for one-time items including transaction costs, gain / loss on early debt extinguishments, gain / loss from land sales, non-cash preferred stock redemption charges, and property damage settlement.
(2) Current Green Street NAV estimates as of 05.31.18.
(3) Reflects office REITs under Green Street Advisors' coverage universe in both 2010 and 2018.

MANAGEMENT TEAM

Dynamic,
Well-rounded and
Experienced

2010



JOHN KILROY
President, CEO



JEFF HAWKEN
EVP, COO



JUSTIN SMART
SVP, Dev & Construct.



TYLER ROSE
EVP, CFO



JOHN FUCCI
SVP, Asset Mgmt.



HEIDI ROTH
SVP, Controller



MICHELLE NGO
VP, Treasurer



Regional Offices
San Diego

MANAGEMENT TEAM

With Some New
Additions

2018



JOHN KILROY
President, CEO
47 years with KRC



JEFF HAWKEN
EVP, COO
37 years with KRC



JUSTIN SMART
EVP, Dev & Construct.
28 years with KRC



TYLER ROSE
EVP, CFO
21 years with KRC



ROB PARATTE
EVP, Leasing
5 years with KRC



TRACY MURPHY
EVP, Life Science
2 years with KRC



JOHN FUCCI
EVP, Asset Mgmt.
21 years with KRC



HEIDI ROTH
EVP, CAO
20 years with KRC



MICHELLE NGO
SVP, Treasurer
12 years with KRC

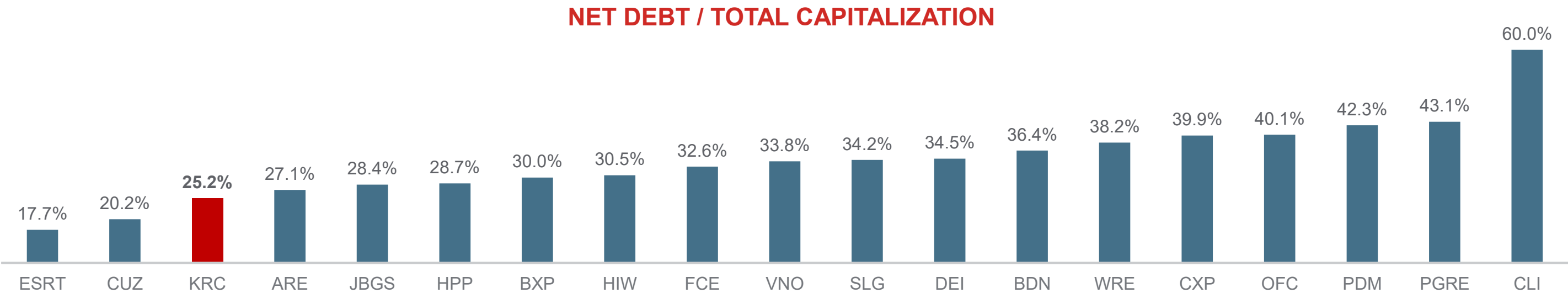
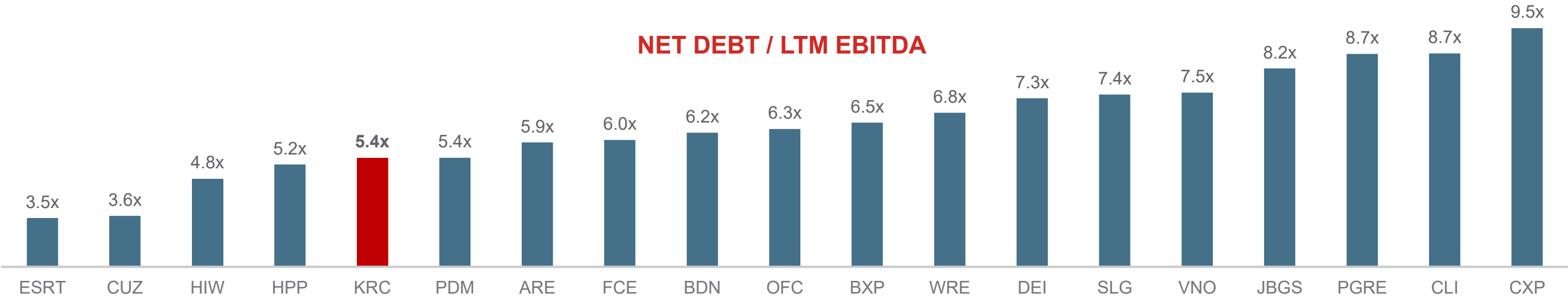


Regional Offices
San Diego
Hollywood
San Francisco Bay Area
Pacific Northwest



STEVE ROSETTA
EVP, CIO
1 year with KRC

BEST-IN-CLASS BALANCE SHEET



Source: SNL Market Intelligence as of 03.31.18.

RECENT UPDATES

Leasing

- **163K SF renewal with Adobe in Seattle**
 - 11 year extension at Fremont Lake Union Center
- **145K SF lease with General Atomics in San Diego**
 - Backfills ~50% of the former Bridgepoint space
- **136K SF lease with Nektar in San Francisco**
 - 10 year term at 360 Third St.
- **375K SF headquarters lease for GM Cruise**
 - 12 year term across The Brannans



Fremont Lake Union Center, Seattle

RECENT UPDATES

Strategic Transactions

- **Acquired Kilroy Oyster Point development site in South San Francisco**
 - \$308MM purchase price, phasable 2.5MM SF entitled project
- **Commenced construction on the balance of the residential units at One Paseo**
- **Under contract to acquire 345 Brannan St. for \$146MM**



One Paseo, Residences, San Diego

RECENT UPDATES

Case Study: The Brannans

Harvesting opportunities within the portfolio

A compelling idea. Connecting the Brannans.

- Large-scale campus of three existing properties (250, 301 and 333 Brannan) totaling 355,000 SF
- Located in highly desirable tech corridor surrounded by abundant amenities



RECENT UPDATES

The Brannans

Acquisition of 345 Brannan St. expands campus

345 Brannan St.

- 110,000 SF
- Built in 2015
- \$146MM purchase price
- Expect to close by year-end
- Strategic synergies with adjacent 333 Brannan St.



RECENT UPDATES

The Brannans

Idea becomes reality: GM Cruise signs a lease for a new headquarters campus

- Large urban campus lease with GM Cruise
 - 375K SF lease across 301, 333 and 345 Brannan St.
 - Estimated lease commencement in late 2019
- Favorable lease economics
 - **Extends** term by ~6 years
 - **Increases** annual NOI by \$~5MM / \$7MM on a cash and GAAP basis⁽¹⁾



cruise

Market Capitalization: \$54BN
Credit Rating: Baa3/BBB
Stable Outlook

STRATEGIC LONG-TERM RELATIONSHIP; SIGNIFICANT VALUE CREATION

(1) As compared to in-place budget

AROUND THE MARKETS

ROB PARATTE
EVP, Leasing



WHY TECHNOLOGY AND MEDIA

- Growth engine of the economy
- Disruptive nature of the industry
- M&A cycle provides credit enhancements

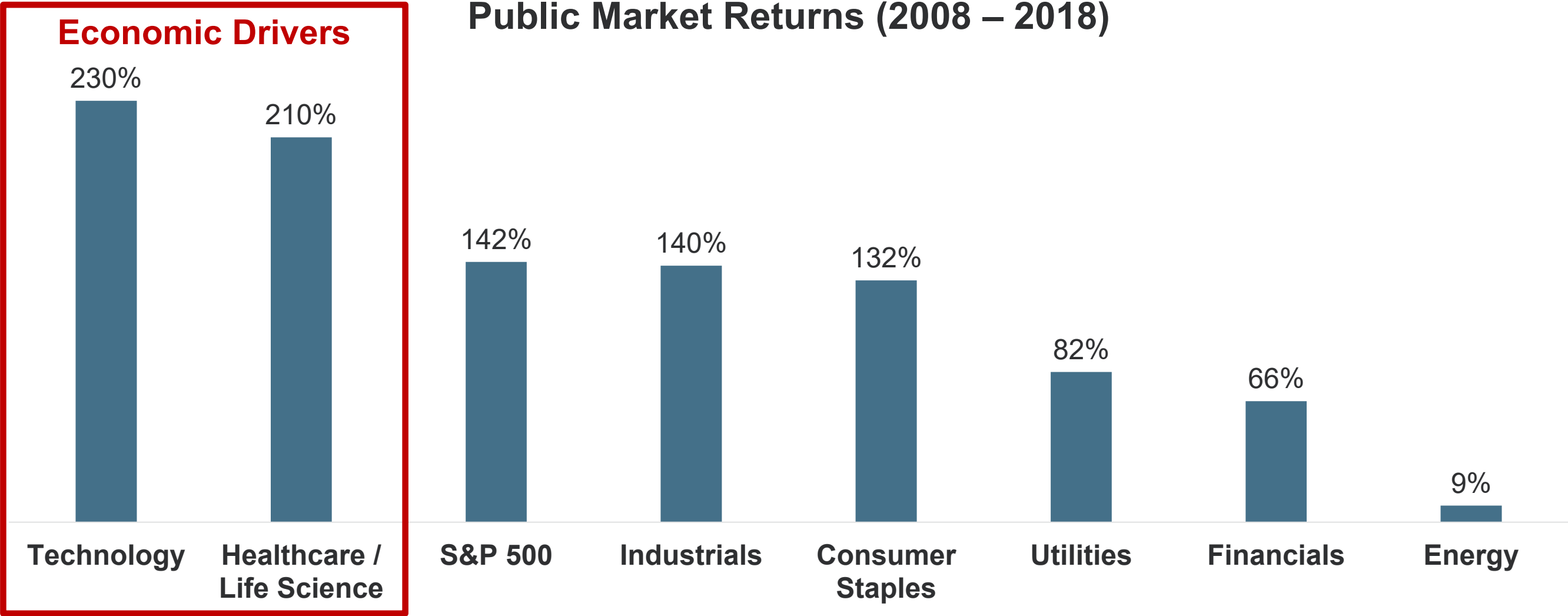


Columbia Square, Hollywood

WHY TECHNOLOGY AND MEDIA

Growth Engine
of the Economy

Technology, Healthcare and Life Science have
been the biggest economic drivers this cycle














Note: Data as of 05.31.18 including dividend reinvestment. Sector performance based on SPDR industry-specific ETFs.

WHY TECHNOLOGY AND MEDIA

Growth Engine
of the Economy

Five biggest public companies in the world are
all in technology

Technology Firms are the Most Valuable in the World

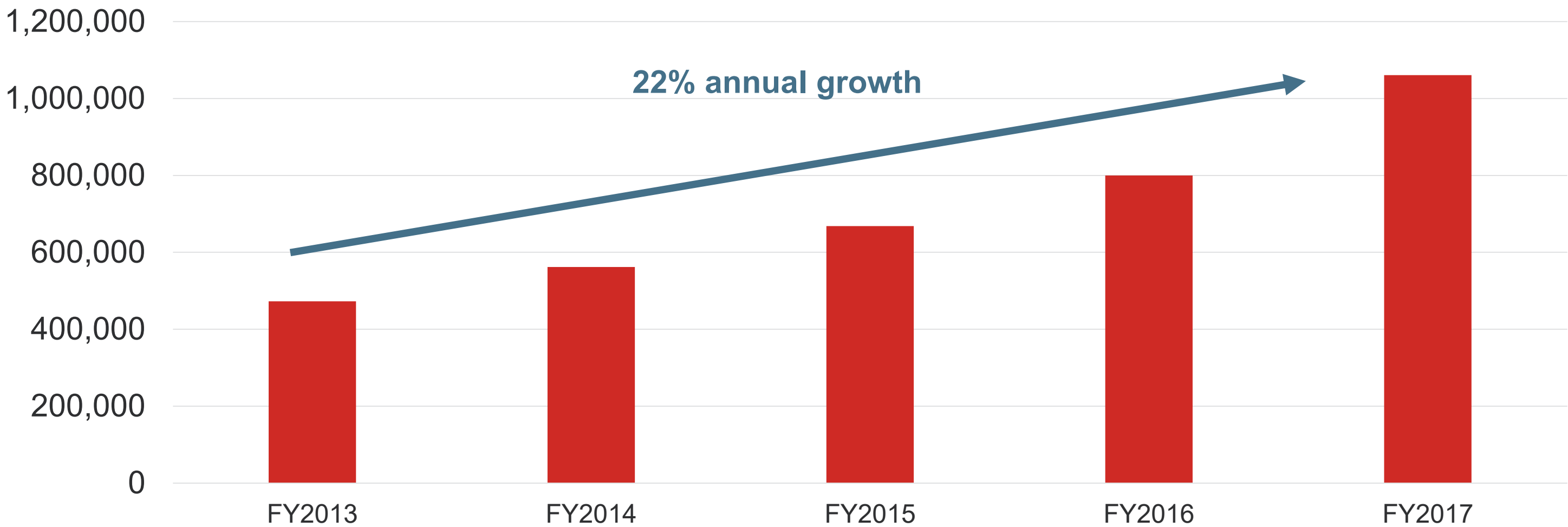
2000		2010		Today ⁽¹⁾	
	\$475BN	ExxonMobil	\$370BN		\$918BN
ExxonMobil	\$302BN		\$301BN		\$791BN
	\$290BN		\$297BN		\$759BN
	\$269BN	BHP	\$258BN		\$759BN
Walmart 	\$237BN	 Microsoft	\$238BN	facebook.	\$555BN

WHY TECHNOLOGY AND MEDIA

Growth Engine
of the Economy

Robust hiring is driving a
healthy appetite for real estate

Large Cap Technology Employees

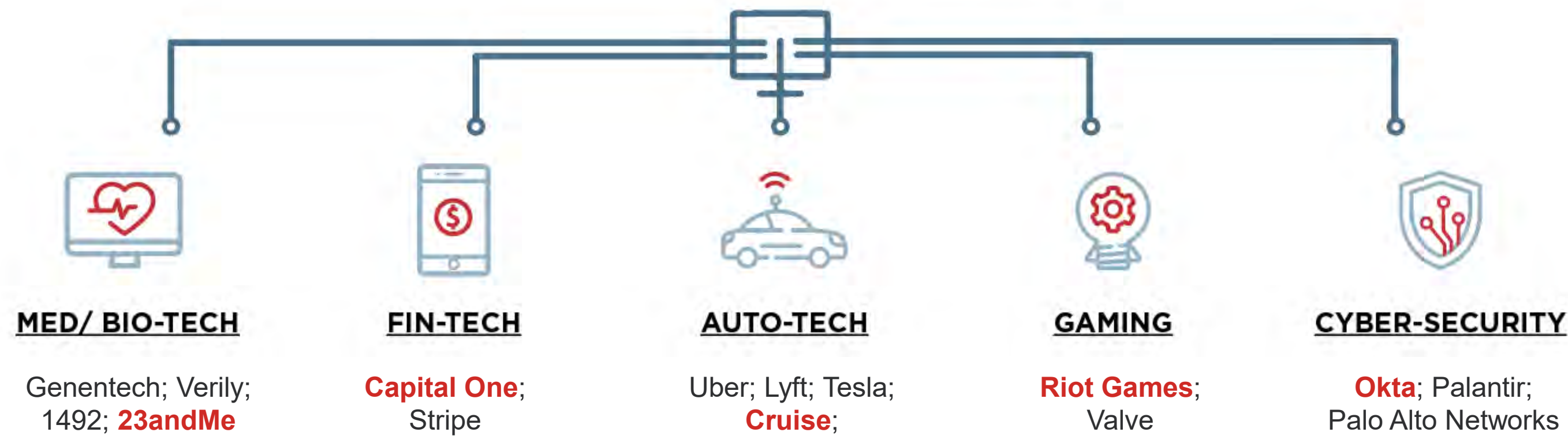


Note: Reflects total employees at large cap tech including Facebook, Microsoft, Netflix, Amazon, Oracle, Apple and Google per SNL.

WHY TECHNOLOGY AND MEDIA

Disruptive Nature
of the Industry

Technology creates new business models



ON THE HORIZON

Robotics, Artificial Intelligence, Internet of Things, Augmented Reality / Virtual Reality

WHY TECHNOLOGY AND MEDIA

Disruptive Nature
of the Industry

The eco-system of large companies
giving birth to smaller companies and
spin-outs creates a virtuous cycle

First Generation



















Next Generation



WHY TECHNOLOGY AND MEDIA

M&A Drives Credit Enhancement for KRC Tenants

Since 2010, Large Cap Tech Companies Made 440 Acquisitions Totaling \$158BN

Rating	Acquirer	KRC Tenant	Rating	Acquirer	KRC Tenant
AAA/Aaa	 Microsoft		A/A2		
BBB+/Baa1	 AT&T		BBB / A3	 MONSANTO	
A+/A1			BBB / Baa2		
AA-/A1			BBB+/Baa1		

Note: Reflects M&A transactions completed by Facebook, Microsoft, Netflix, Amazon, Oracle, Apple and Google through 05.31.18.

REGIONAL UPDATES



REGIONAL UPDATES

Pacific
Northwest

333 Dexter Ave., South Lake Union



Skyline Tower, Bellevue



Westlake Terry, South Lake Union



REGIONAL UPDATES

San Francisco Bay Area

100 First St., San Francisco



360 Third St., San Francisco



555 Mathilda Ave., Sunnyvale



REGIONAL UPDATES

Greater
Los Angeles

The Sunset, West Hollywood



Tribeca West, West Los Angeles



Academy on Vine, Hollywood



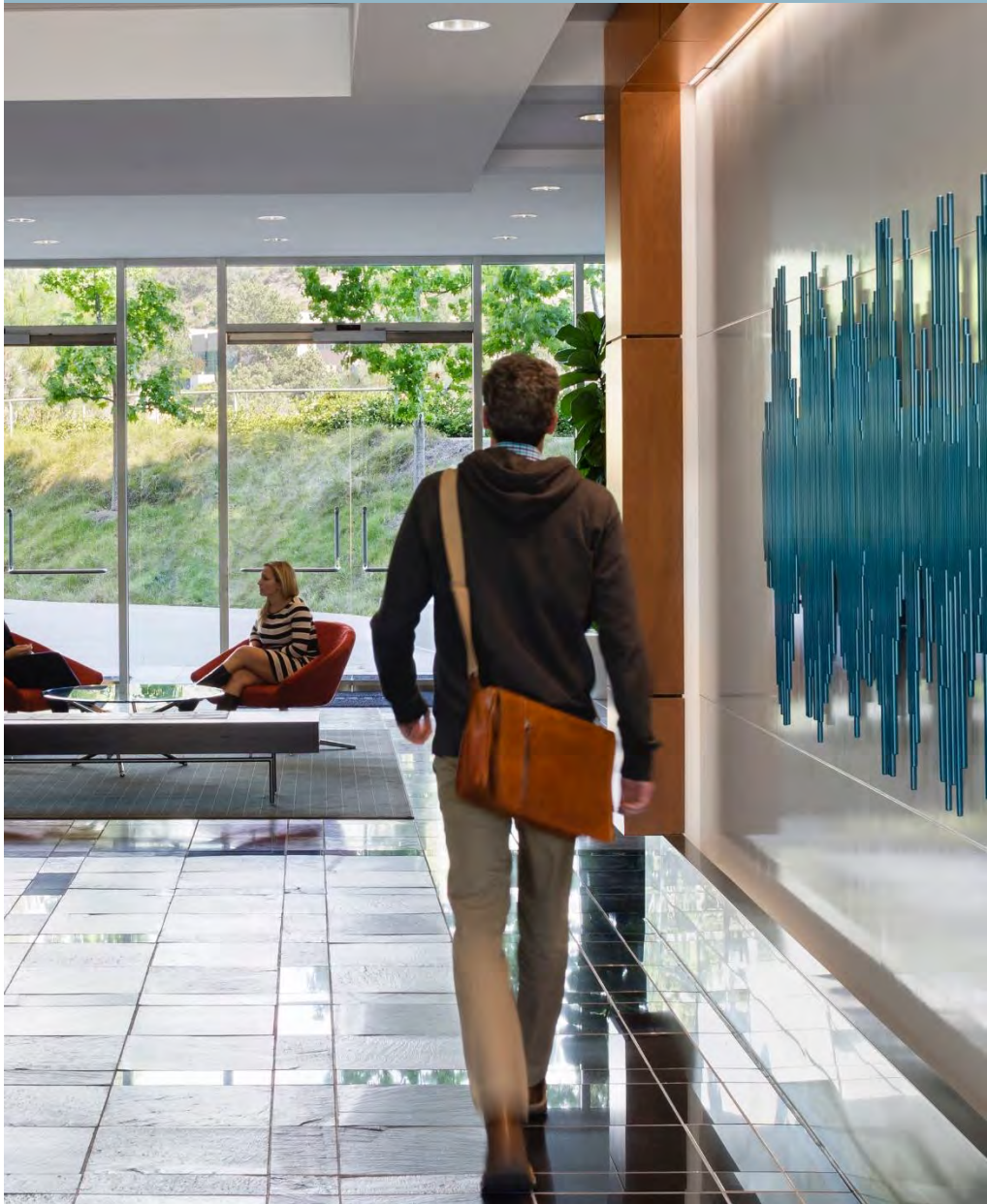
REGIONAL UPDATES

San Diego

One Paseo, Del Mar



Kilroy Centre Del Mar, Del Mar



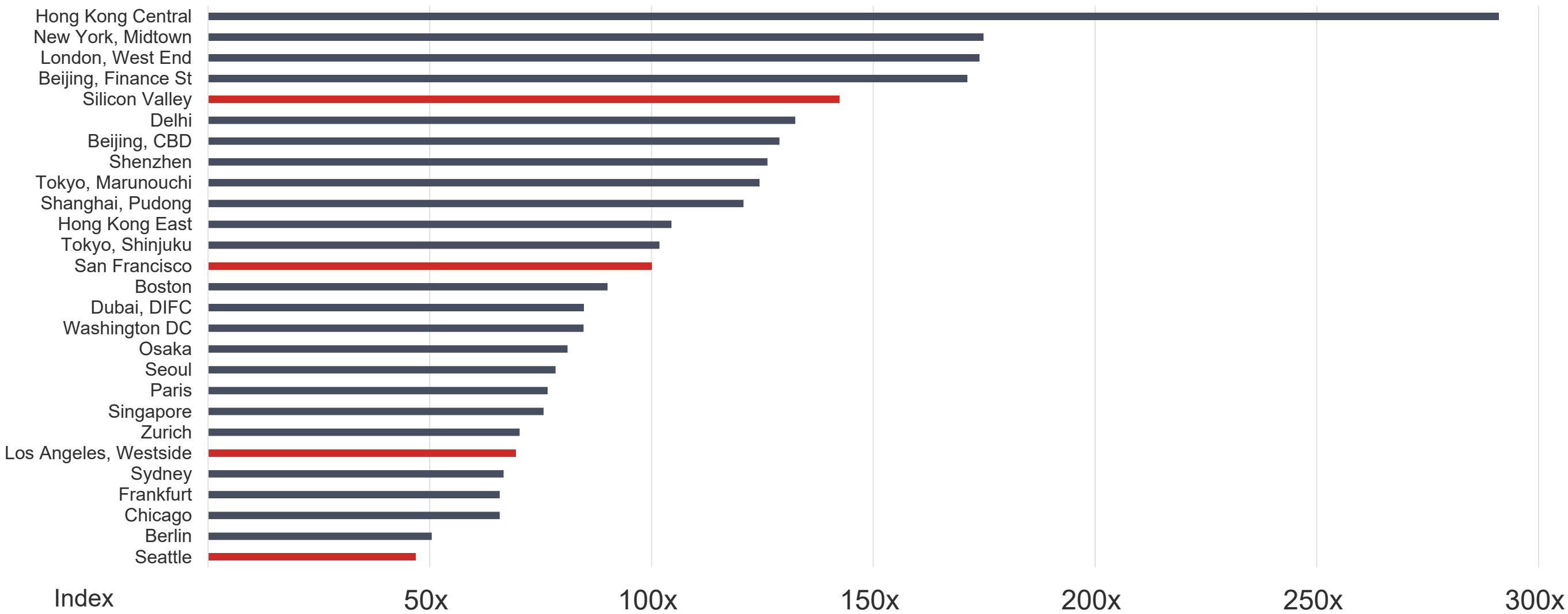
Liberty Station, Point Loma



WHERE DO WE GO FROM HERE?

Rents Still Have Room to Grow

Global Premium Office Rent Index



Source: JLL data as of 3Q17. Indexed to San Francisco at 100x.

KEY TAKEAWAYS

- Technology and Media will continue to drive innovation and growth
- West Coast markets remain vibrant with healthy demand and limited new supply
- Rents still have room to grow
- KRC is uniquely positioned to capitalize on this set of continuing trends



2211 Michelson Dr., Irvine

KRC OPERATIONAL ADVANTAGE

JEFF HAWKEN
COO



WORKPLACE CULTURE



270 Employees

Headcount has doubled
since 2010



Promotions

20% of the workforce per
year over the last 5 years



Team Building

Culture Committee,
community service



Career Development

Mentoring, training and
employee satisfaction

Continued Commitment to Diversity

- **57%** of employees are women
- Female representation on Board and Executive Team
- **39%** ethnic diversity among employee base

Improved Corporate Governance

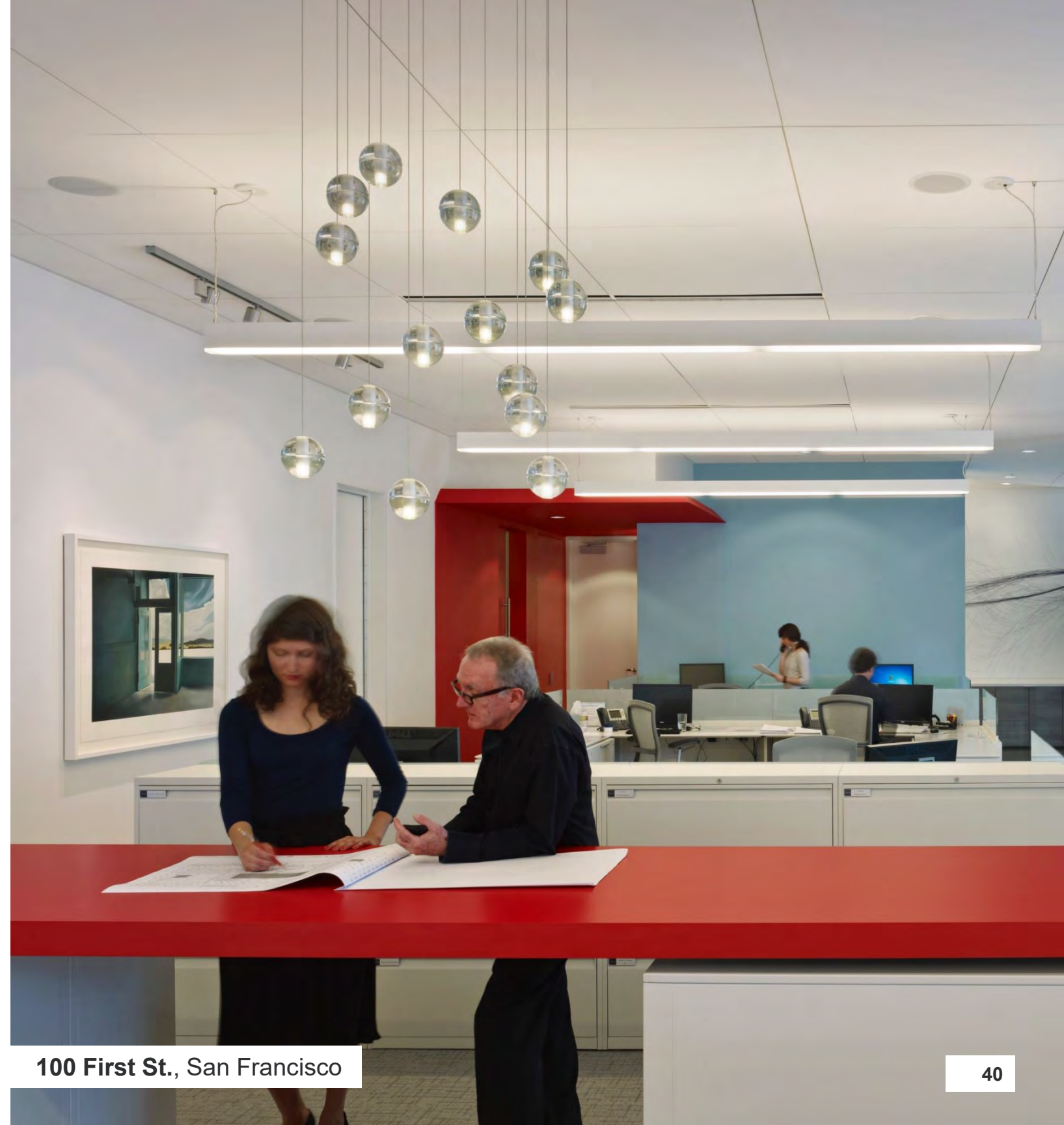
- Declassified board
- Board refreshment – 60% of the directors joined over the last four years
- Majority voting for uncontested elections
- Shareholder proxy access
- Established a Corporate Social Responsibility Committee

WORKPLACE CULTURE

The Results

Since 2010 we have:

- Signed ~20MM SF of leases
- Completed \$2.9BN of acquisitions
- Commenced \$3.5BN of development
- Sold or ventured \$2.3BN of assets
- Secured best-in-class development pipeline

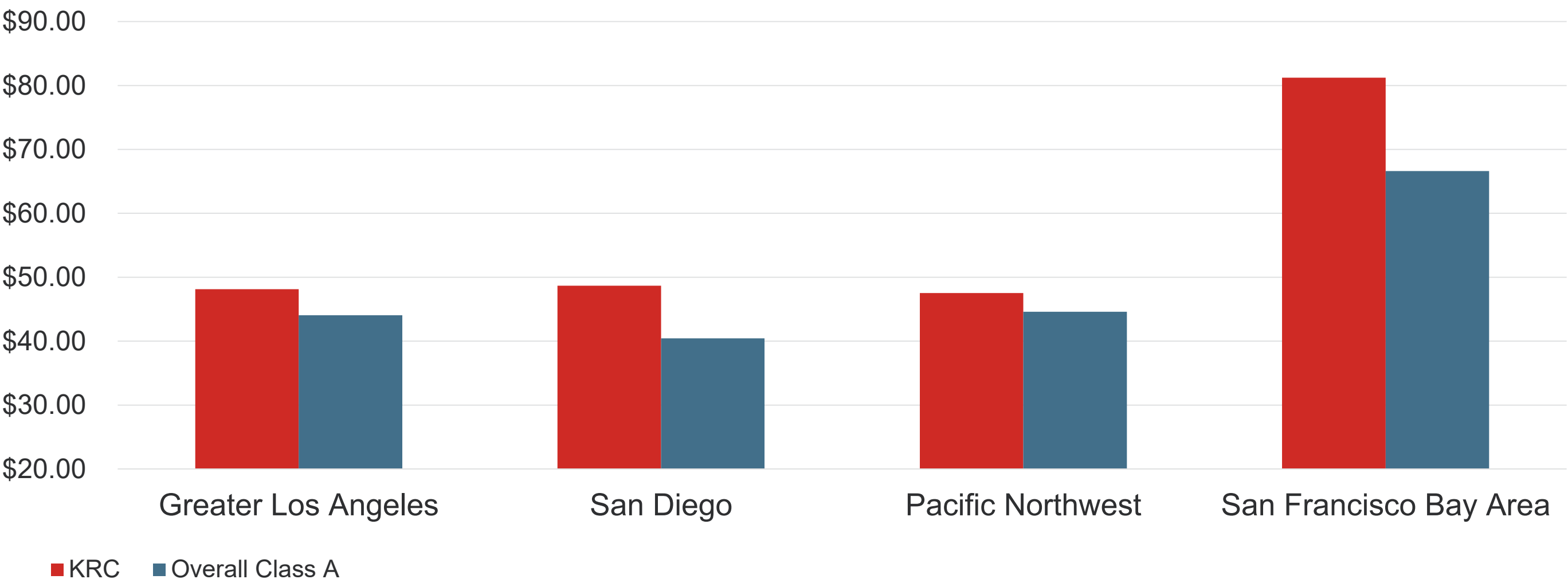


KRC OPERATIONAL ADVANTAGE

Premier Submarkets

Asking rents in KRC's submarkets exceed market averages by 12%

KRC Submarket Rents vs. Overall Class A



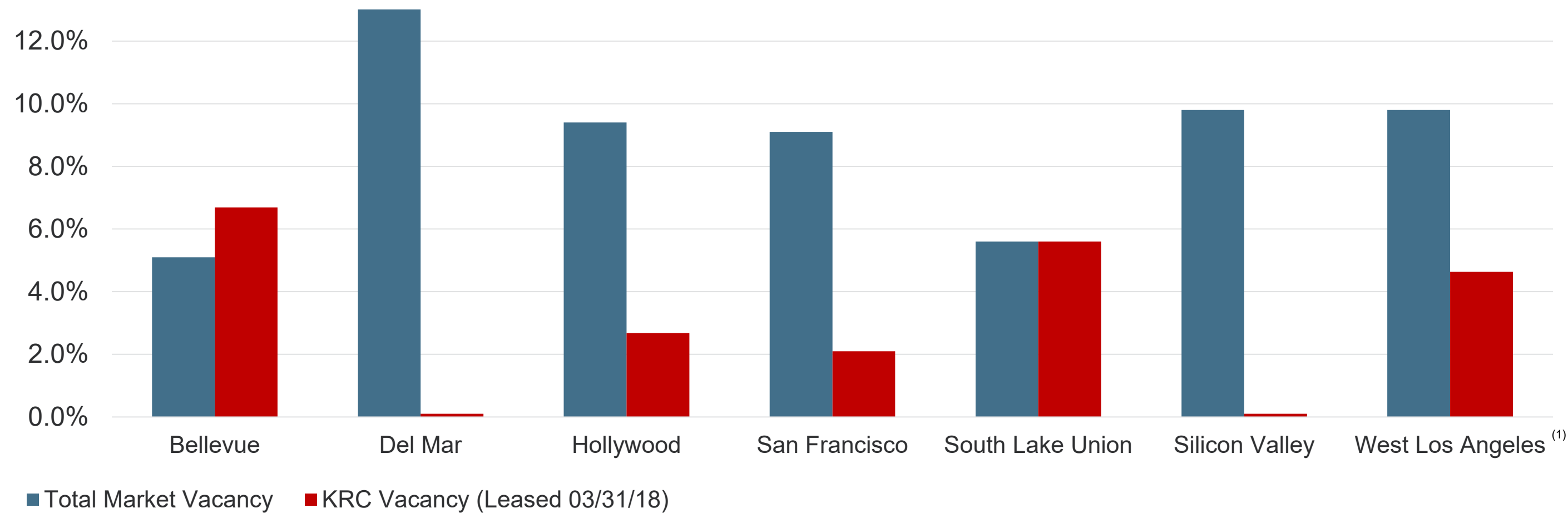
Source: JLL & CBRE as of 03.31.18. Includes KRC projects currently under construction.

KRC OPERATIONAL ADVANTAGE

Superior Performance

Vacancy in KRC's portfolio is ~600bps lower than the corresponding submarket

KRC Vacancy vs. Overall Submarket

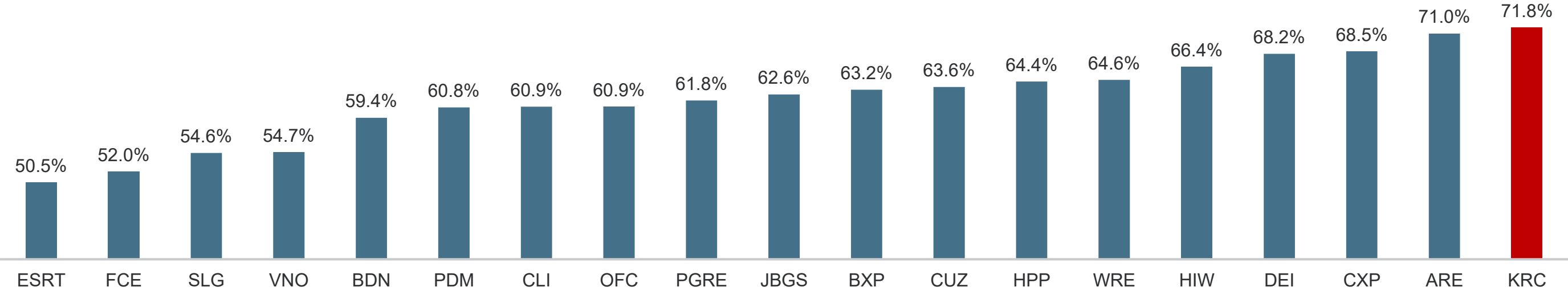


Source: JLL & CBRE as of 03.31.18.
(1) Excludes one ~45K SF building.

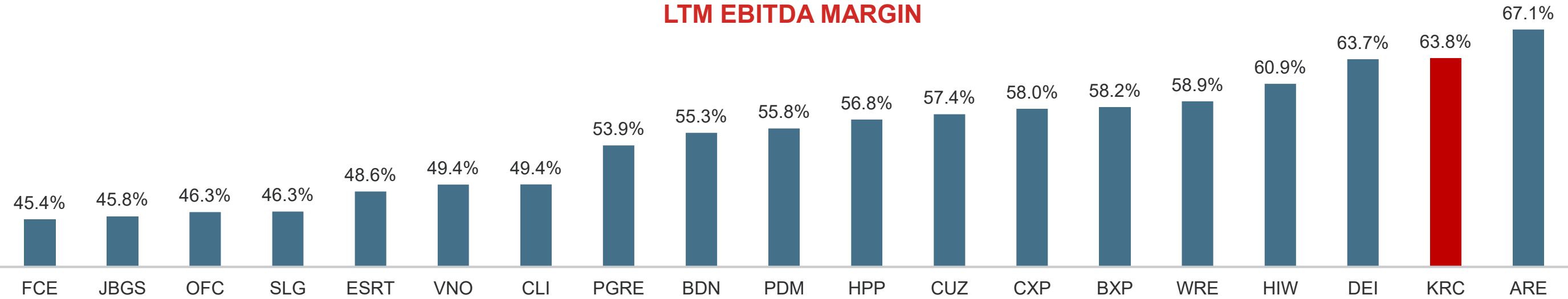
KRC OPERATIONAL ADVANTAGE

Highest Operating Margins Among Peers

LTM NOI MARGIN



LTM EBITDA MARGIN



Source: SNL Market Intelligence as of 1Q18.

KRC OPERATIONAL ADVANTAGE

Leveraging Scale

- Accommodating tenant growth
- Proactively addressing expirations
- Expanding relationships across markets



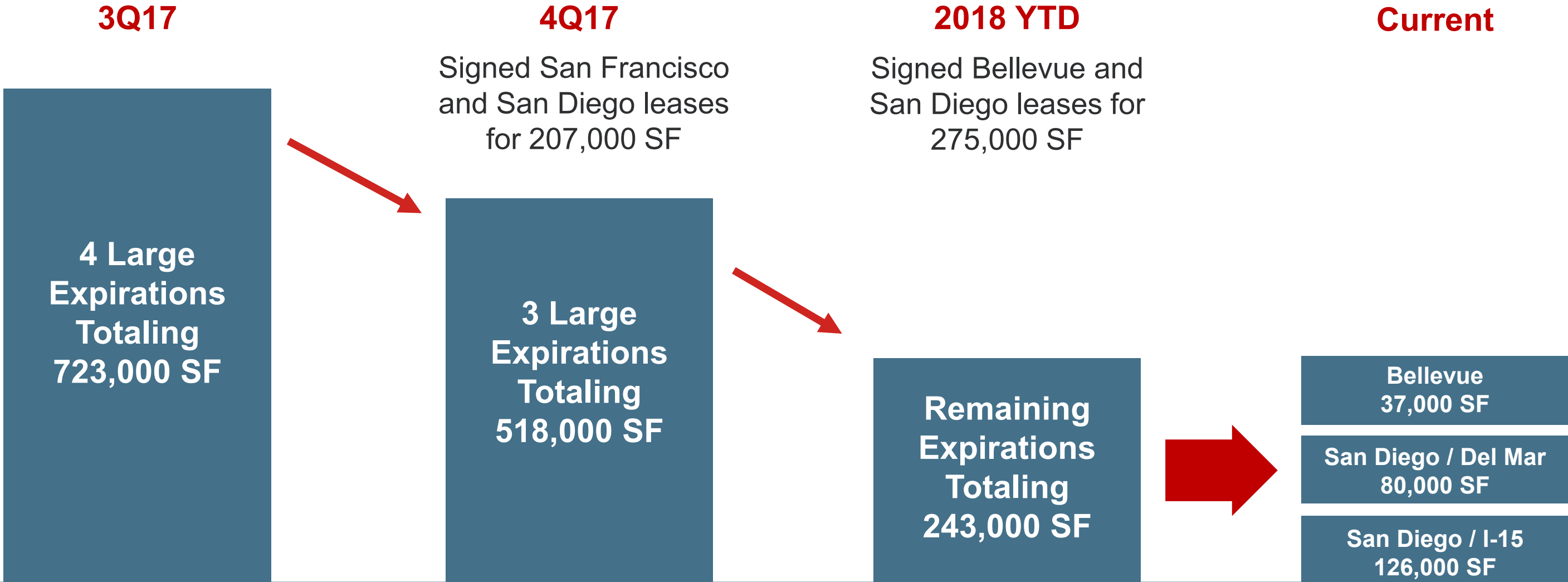
Liberty Station, San Diego

KRC OPERATIONAL ADVANTAGE

1.6MM SF
Leasing YTD

Six deals greater than 100K SF since March

Leasing Activity	Square Feet	Change in Cash Rents	Change in GAAP Rents	Term (Years)
1Q18 Conference Call	705K SF	13%	28%	7
May Leasing	945K SF	6%	26%	9
TOTAL	1.6MM SF	6%	24%	8



KRC OPERATIONAL ADVANTAGE

2019-2020 Lease Expirations

2019

1.5MM SF

~19% Below Market

Largest Expirations

1Q

Pacific Northwest, 125K SF (backfilled)
San Francisco Bay Area, 111K SF (renewed)
San Francisco Bay Area, 95K SF

3Q

San Francisco Bay Area, 75K SF

4Q

San Francisco Bay Area, 75K SF (backfilled)

311K SF of expirations addressed since 1Q18

2020

1.9MM SF

~18% Below Market

Largest Expirations

1Q

Greater Los Angeles, 136K SF
San Francisco Bay Area, 94K SF

2Q

San Francisco Bay Area, 98K SF

3Q

San Francisco Bay Area, 143K SF
Pacific Northwest, 169K SF (renewed)

169K SF of expirations addressed since 1Q18

LIFE SCIENCE PLATFORM

TRACY MURPHY
EVP, Life Science



LIFE SCIENCE PLATFORM

Strong Industry Fundamentals

2x AGING POPULATION

Seniors to double by 2050;
life expectancy continues
to increase

18%

OF GDP

in healthcare expenditures

\$2.3BN

AVERAGE ANNUAL
INCREASE IN NIH
BUDGET 2015-18

\$13BN

AVERAGE ANNUAL
VC INVESTMENT
2015-17



INCREASE IN BIOTECH INDEX

Outperformed the broader
market over 1, 5 & 10 year
periods



INNOVATION FOCUSED FDA

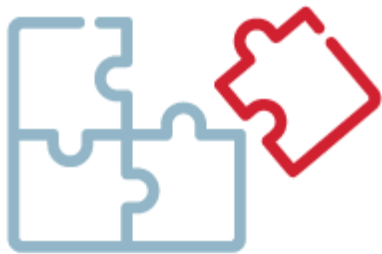
180 FDA approvals since
2013



CURES

500 of 10,000 diseases have
treatments

LIFE SCIENCE PLATFORM



Natural
Extension



LIFE SCIENCE PLATFORM



In House Expertise



TRACY MURPHY
EVP, Life Science
16 years



STEVE ROSETTA
EVP, Chief
Investment Officer
20+ years



JONAS VASS
SVP, Development &
Const.
18 years



ELLIOTT TRENCER
SVP, Corporate
Strategy
10 years



JEFF BESEN
VP, Investments &
Life Science
11 years



MARK MILTMORE
VP, Facilities &
Engineering
15 years



JOHN OSMOND
SVP, Asset
Management
20 years



PETER DOWLEY
Senior Analyst,
Investments
7 years



401 Terry Ave., Seattle

- 96% occupancy across life science properties
- ~700K SF of transactions across three markets⁽¹⁾
 - Five deals over 100K SF
 - Average lease term of 9 years
 - ~+13% cash / +35% GAAP mark-to-market on rents

(1) Reflects transactions executed in the past 12 months.

LIFE SCIENCE PLATFORM

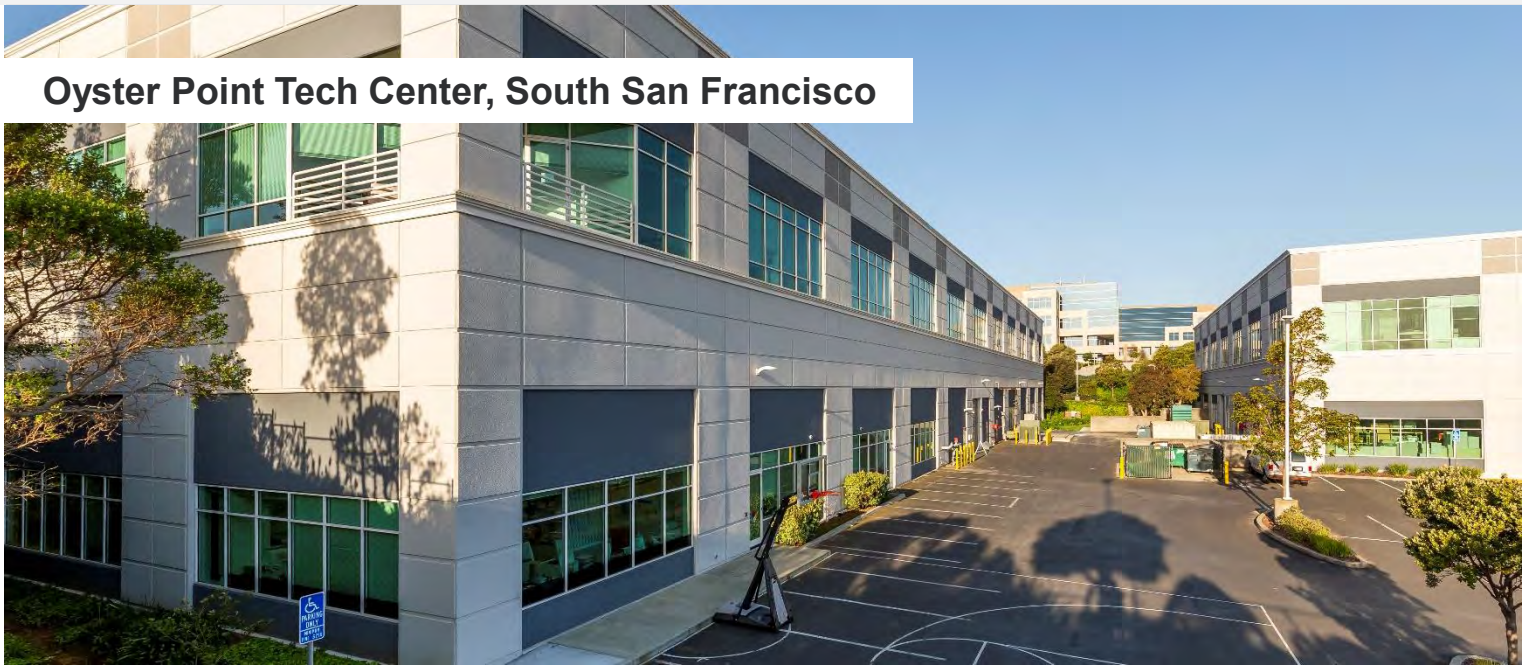
Strategic Growth Scorecard

Growing by ~\$3BN

1701 Page Mill Rd., Palo Alto



Oyster Point Tech Center, South San Francisco



Kilroy Oyster Point, South San Francisco



9455 Towne Centre Dr., San Diego



LIFE SCIENCE PLATFORM

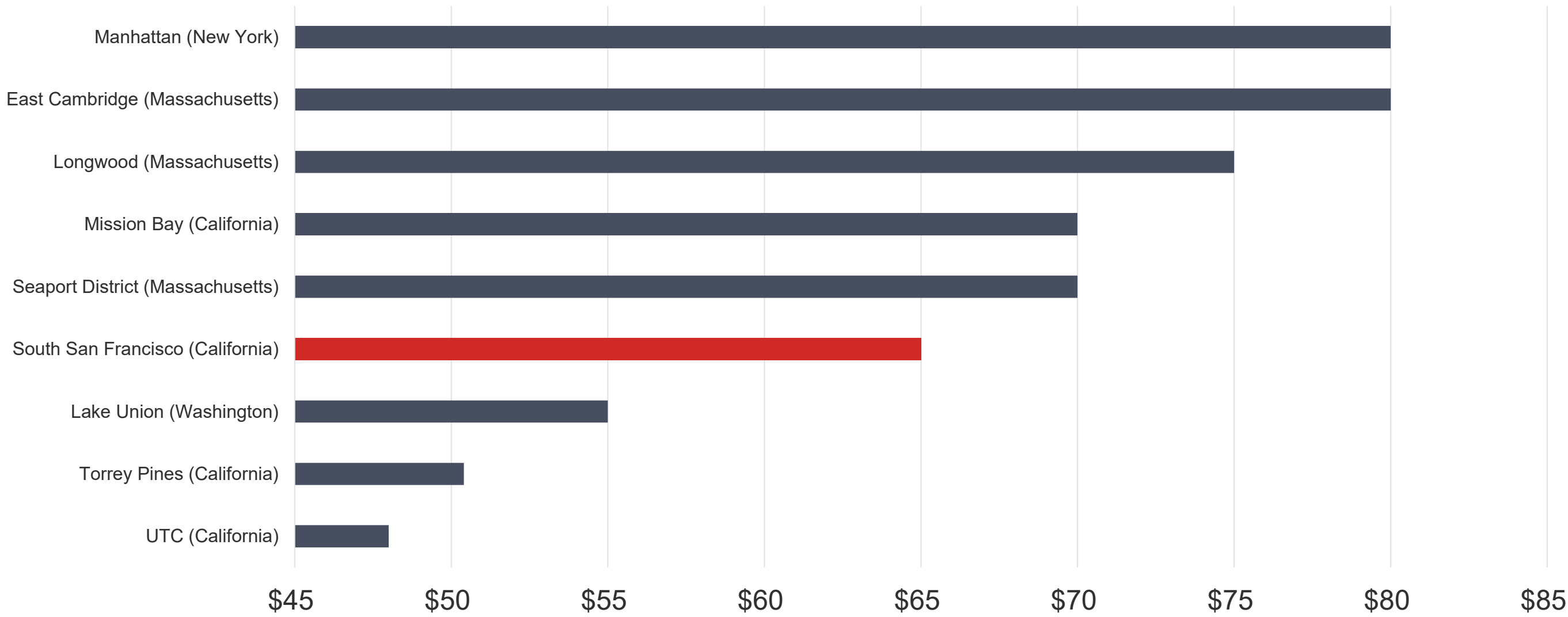
South San Francisco

Market Dynamics



Source: Various brokerage firms.

Class A Life Science Rents



Source: Various brokerage firms.



KILROY

OYSTER POINT



- Closed June 1, 2018
- 35 acres of land entitled for 2.5MM SF of lab/office development
- 11 buildings over four phases with flexibility to build in 200K – 600K SF increments
- ~\$308MM initial investment, attractive land basis of ~\$123/SF
- ~\$2.5BN estimated total investment
- Initial scope of three buildings totaling 600K SF



Phasing Plan

Phase 1: 3 buildings // ~600K SF

Phase 2: 4 buildings // ~900K SF

Phase 3: 2 buildings // ~500K SF

Phase 4: 2 buildings // ~500K SF

Total Opportunity:

11 buildings // 2.5MM SF // 35 acres

Oyster Point Tech Center: 146K SF

- Acquired in January 2018 for \$111MM
- Stabilized returns in the mid-6% range
- Potential for future redevelopment



- Meaningful presence in a premier life science market
- Well-located site within South San Francisco with proximity to transportation
- Bringing the KRC expertise of developing the modern workplace to life science and South San Francisco
- Phasable project provides flexibility



Key Takeaways

- Life science is a natural extension for KRC
- Growth of the platform will continue to be methodical and thoughtful
- A lot has been accomplished over the last two years
- Kilroy Oyster Point is an exciting and transformational next chapter



BREAK

WEBCAST TO BE CONTINUED IN ~45 MIN



KILROY

OYSTER POINT

CORPORATE REAL ESTATE PANEL

ELLEN ALBERT, EVP Core Services, Viacom

CHARLES PAPPALARDO, VP Global Operations and Real Estate, Vertex

NICHOLAS RABY, Associate General Counsel, Facebook

STEVE ROSETTA, Chief Investment Officer, KRC

ELIOTT TRENCHER (MODERATOR), SVP, Corporate Strategy, KRC



DEVELOPMENT STRATEGY

JOHN KILROY
Chairman and CEO



TRACK RECORD OF SUCCESSFUL EXECUTION

Track Record Spanning Decades

- \$2.8BN completed since IPO across 59 projects
- 80% / 90% leased upon completion / stabilization

Achievements This Cycle

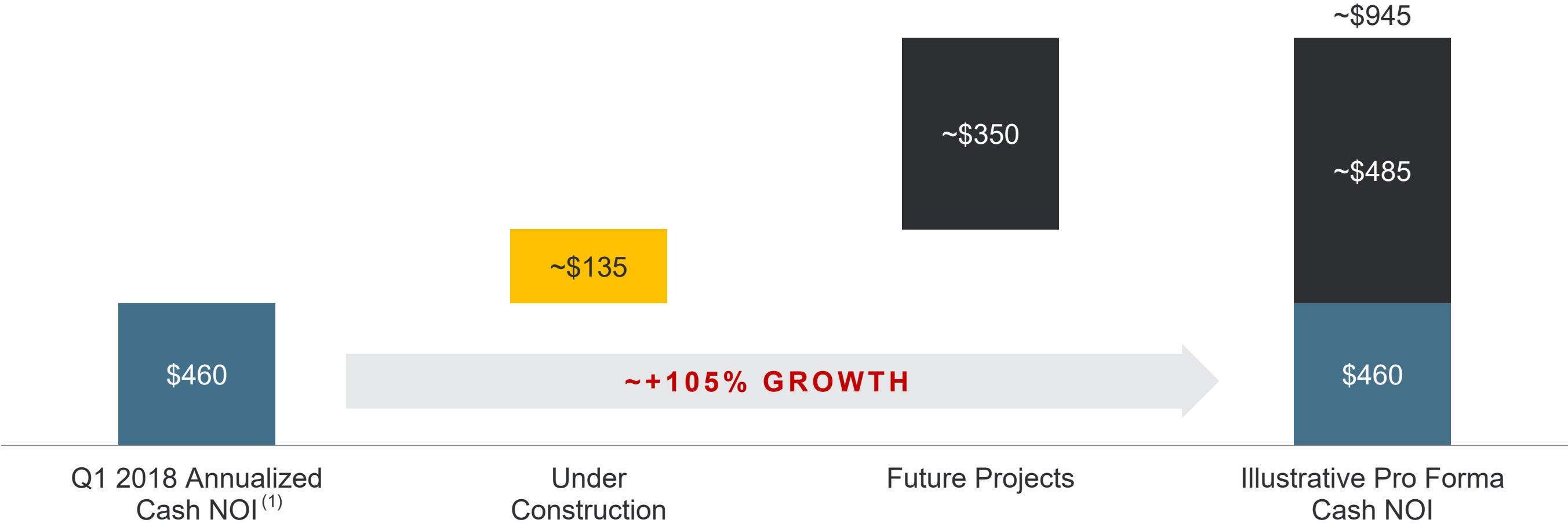
- 10 projects completed totaling \$1.6BN
- 2.6MM SF office space, 99% leased
- 200 residential units, 85% occupied
- ~7.7% cash / 8.6% GAAP stabilized ROC on office projects



POWER OF DEVELOPMENT

Robust NOI Growth From Development

Growth from Illustrative 7% Cash ROC (\$MM)



Note: Data as of 03.31.18.
(1) Q1 2018 annualized cash NOI pro forma for ~ \$500MM of asset sales and stabilized results from recently delivered developments and acquisition of Oyster Point Tech Center. Pro rata for our 56% ownership interest in the Norges strategic venture. Cash NOI defined as GAAP NOI less straight-line rent and FAS 141 adjustments.

POWER OF DEVELOPMENT

Substantial Value Creation

Development Costs (\$BN)		Stabilized Value (\$BN)		Economic Profit (\$BN)	
Under Construction	~\$1.9	Under Construction	~\$3.0 to \$3.4	Under Construction	~\$1.1 to \$1.5
Future Projects	~5.0	Future Projects	~7.8 to 8.8	Future Projects	~2.8 to 3.8
Total	~\$7.0	Total	~\$10.8 to \$12.2	Total	~\$3.9 to \$5.3

Illustrative 7.0% cash return /
4.0% to 4.5% FMV cap rate

~\$2.8BN to \$3.8BN of Value Creation⁽¹⁾

(1) Represents estimated present value of economic profit discounted at 7%.

POWER OF DEVELOPMENT

Case Study: The Exchange

The KRC Advantage

- Redesign
- Infrastructure Investment
- Leveraging Portfolio Scale
- Value Creation



POWER OF DEVELOPMENT

Beyond the
Economics



**Commitment to
Communities**



**Designing for
People**



**Embracing the Urban Landscape;
Public Transportation**

DISCIPLINED APPROACH

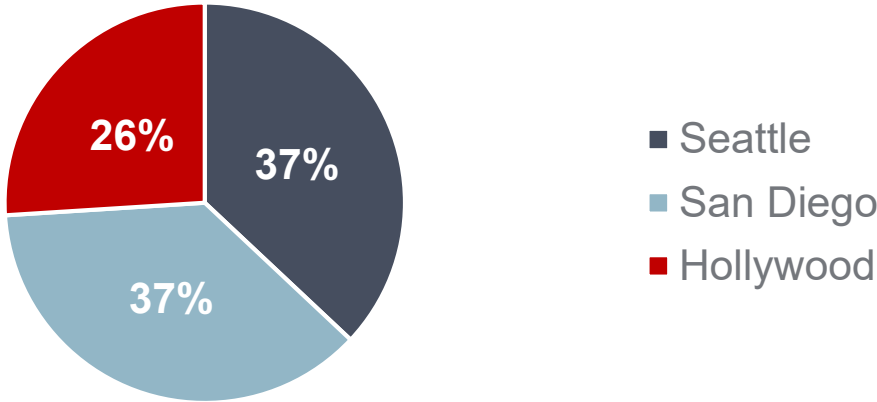
Projects Under
Construction

\$1.9BN Total Investment
Across 6 Projects

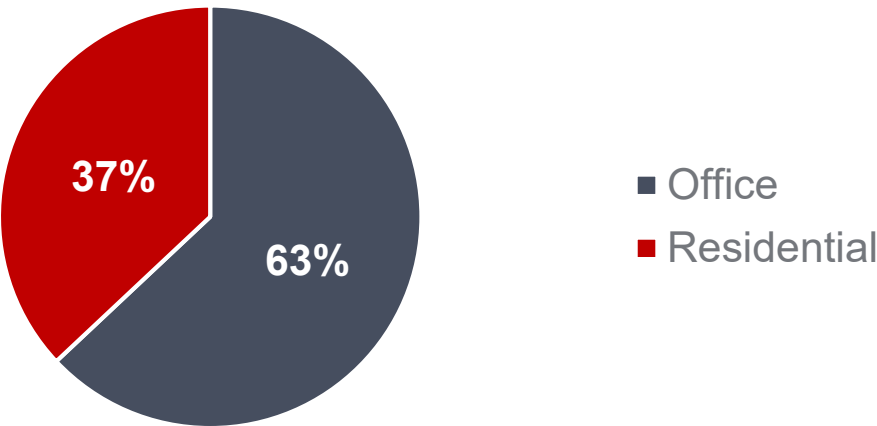


TO BE LEASED PROJECTS (3)
333 Dexter, One Paseo – Residential &
Academy on Vine – Office

Diversified By Market



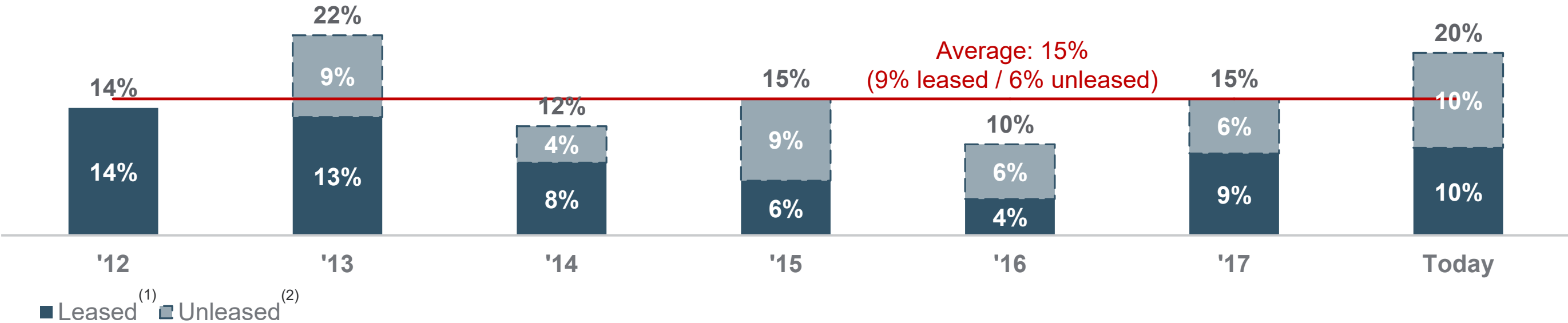
Diversified By Product Type



Note: Based on total estimated investment as of 03.31.18.

DISCIPLINED APPROACH

Development Pipeline / Enterprise Value



97%

Leased upon stabilization

~ 10 Months

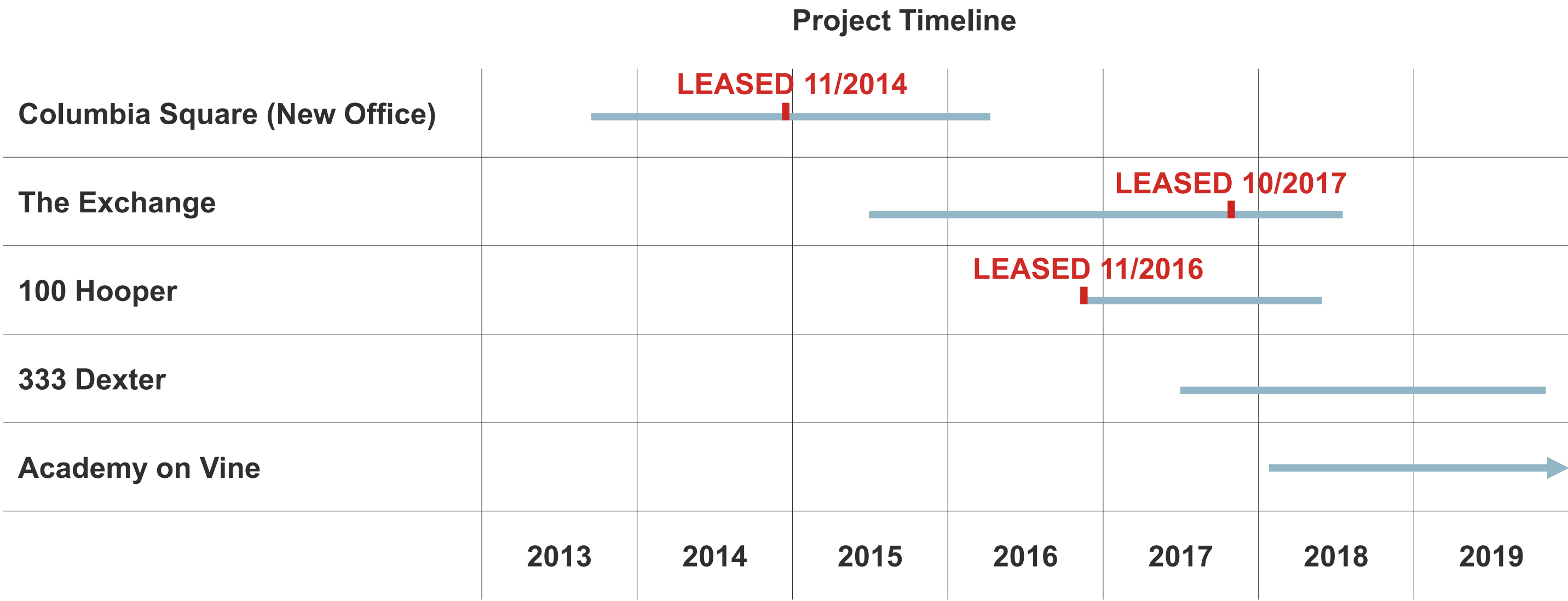
Spec commencement to lease execution

(1) Reflects total estimated investment for projects under construction as a percentage of total capitalization at the end of each reporting period.
(2) Reflects the unleased portion of total estimated investment for projects under construction as a percentage of total capitalization at the end of each reporting period.

DISCIPLINED APPROACH

Track Record of
Strong Leasing

New speculative projects have started after current projects are de-risked



THE FLOWER MART

Central SoMa Plan

- Creates potential to build space for ~33,000 jobs and ~8,300 housing units in Central SoMa

Current Estimated Timeline

- **Late 2018:** Central SoMa Plan Approval
- **Early 2019:** Project Approval
- **Early 2020:** Construction Begins
- **2024:** New Opening



THE FLOWER MART

San Francisco Supply Update

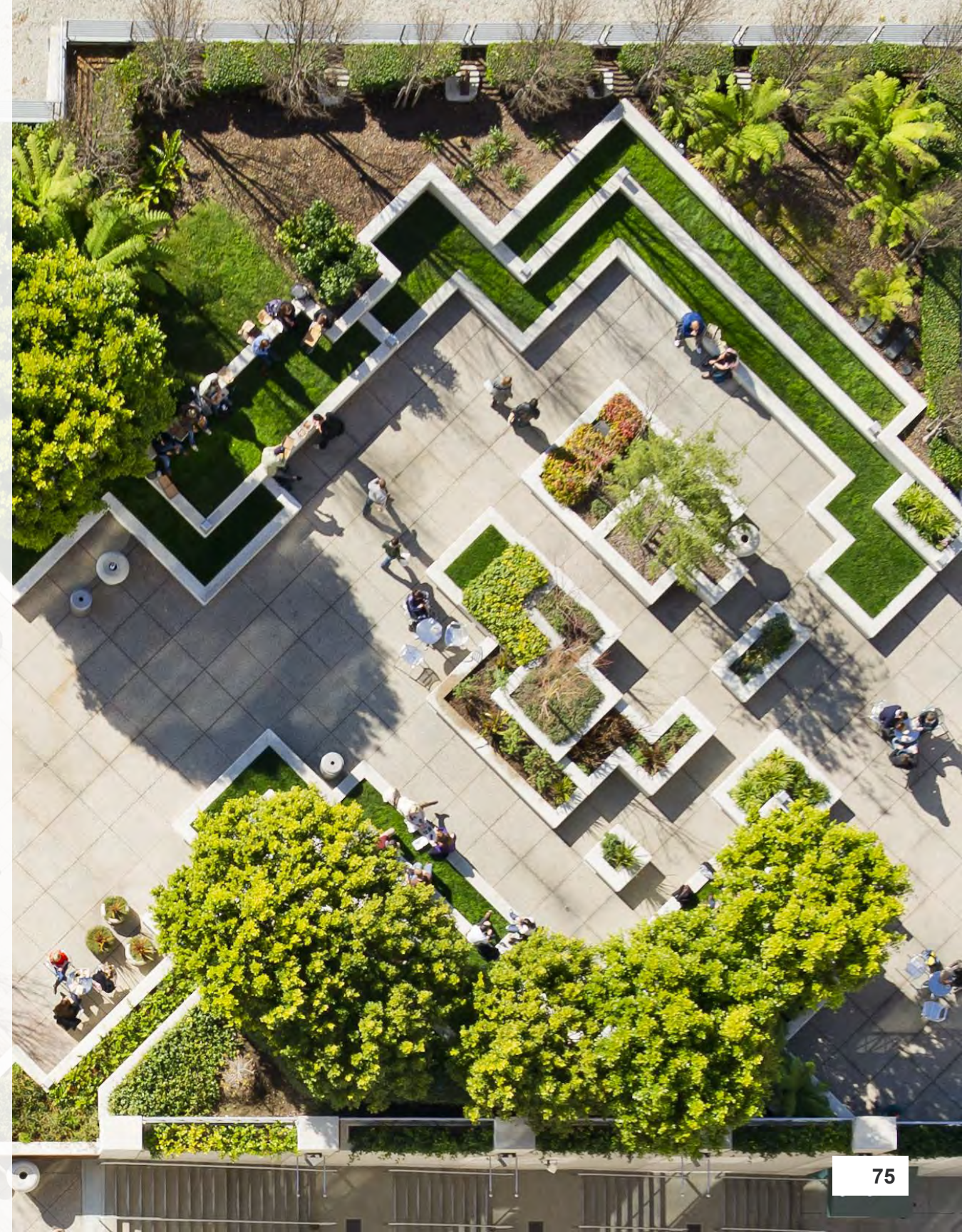
Projects	Size	2015	2016	2017	2018
The Exchange	~750K SF	0%	0%	100%	100%
Salesforce Tower	~1,400K SF	52%	62%	97%	98%
Third Street, Mission Bay	~430K SF	100%	100%	100%	100%
181 Fremont	~440K SF	0%	0%	0%	100%
510 Townsend	~300K SF	100%	100%	100%	100%
100 Hooper	~400K SF	N/A	66%	100%	100%
350 Bush	~360K SF	0%	51%	100%	100%
Warriors, Mission Bay	~580K SF	N/A	100%	100%	100%
250 Howard	~760K SF	0%	0%	0%	100%
Total	~5,420K SF	33%	48%	77%	99%
Oceanwide	~1,100K SF	Expected delivery in 2023			

Source: Various brokerage firms and regional publications.



SUSTAINABILITY HIGHLIGHTS

SARA NEFF
SVP, Sustainability



SUSTAINABILITY

Commitment to our Environment - #1 in North America



Over half of our
entire portfolio is
LEED Certified



Most of our
portfolio is
Energy Star
Certified



All developments
are designed to
be LEED Gold or
Platinum

NAREIT

Leader in the Light Award,
Office Sector - 2014-2017

GRESB

North American Office Leader
- 2014-2017

Green Star - 2013-2017

ENERGY STAR

Sustained Excellence - 2016 - 2018
Partner of the Year - 2014-2018

SUSTAINABILITY HIGHLIGHTS

All Development Projects are
LEED Gold or Platinum

333 Brannan St., San Francisco



Flower Mart, San Francisco



Columbia Square, Hollywood



333 Dexter Ave., Seattle



350 Mission St., San Francisco



The Exchange, San Francisco



Academy on Vine, Hollywood



2100 Kettner Blvd., San Diego



SUSTAINABILITY HIGHLIGHTS

Our Partner's Initiatives



- Carbon Neutral Cloud achieved through large-scale, long term renewable energy procurement projects
- Pay for carbon credits
- Large internal sustainability team
- 6,000 employee volunteers in Earthforce
- Required LEED Platinum for marquee and headquarters locations

SUSTAINABILITY HIGHLIGHTS

Value to Our Investors

Case Study: 360 Third St., San Francisco

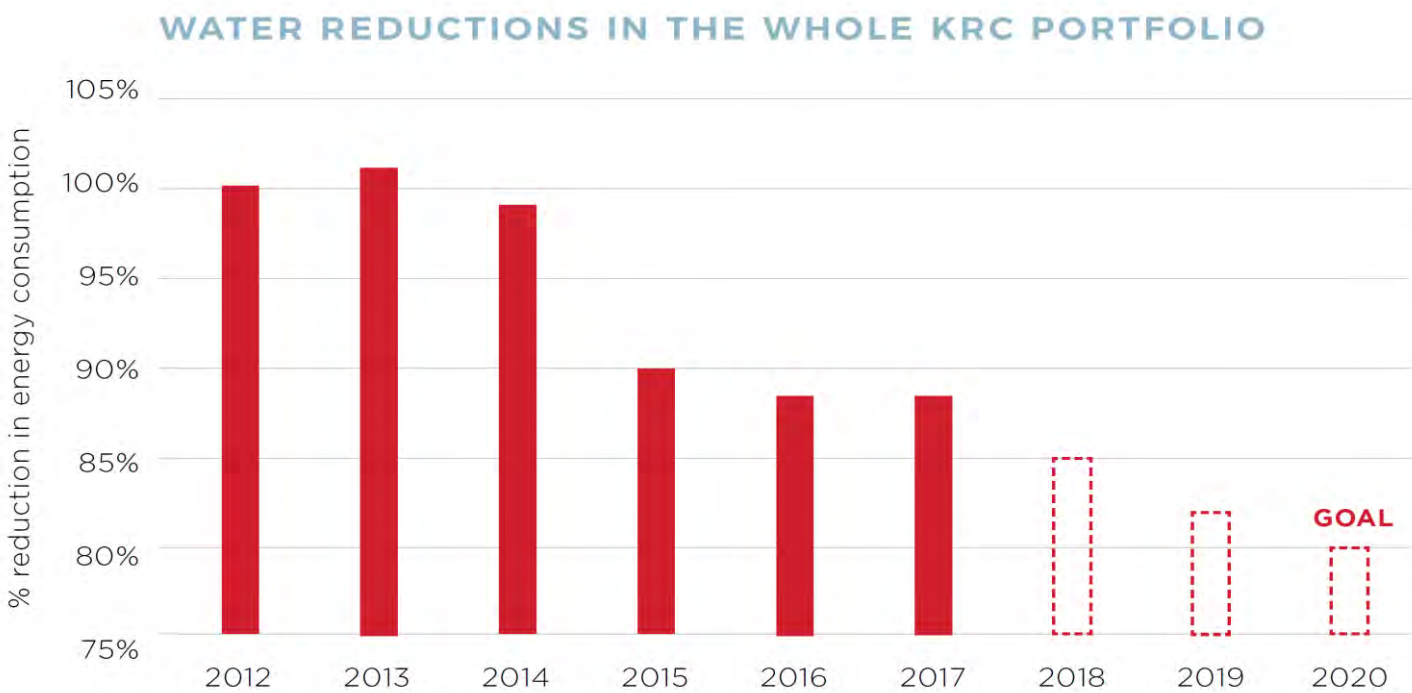
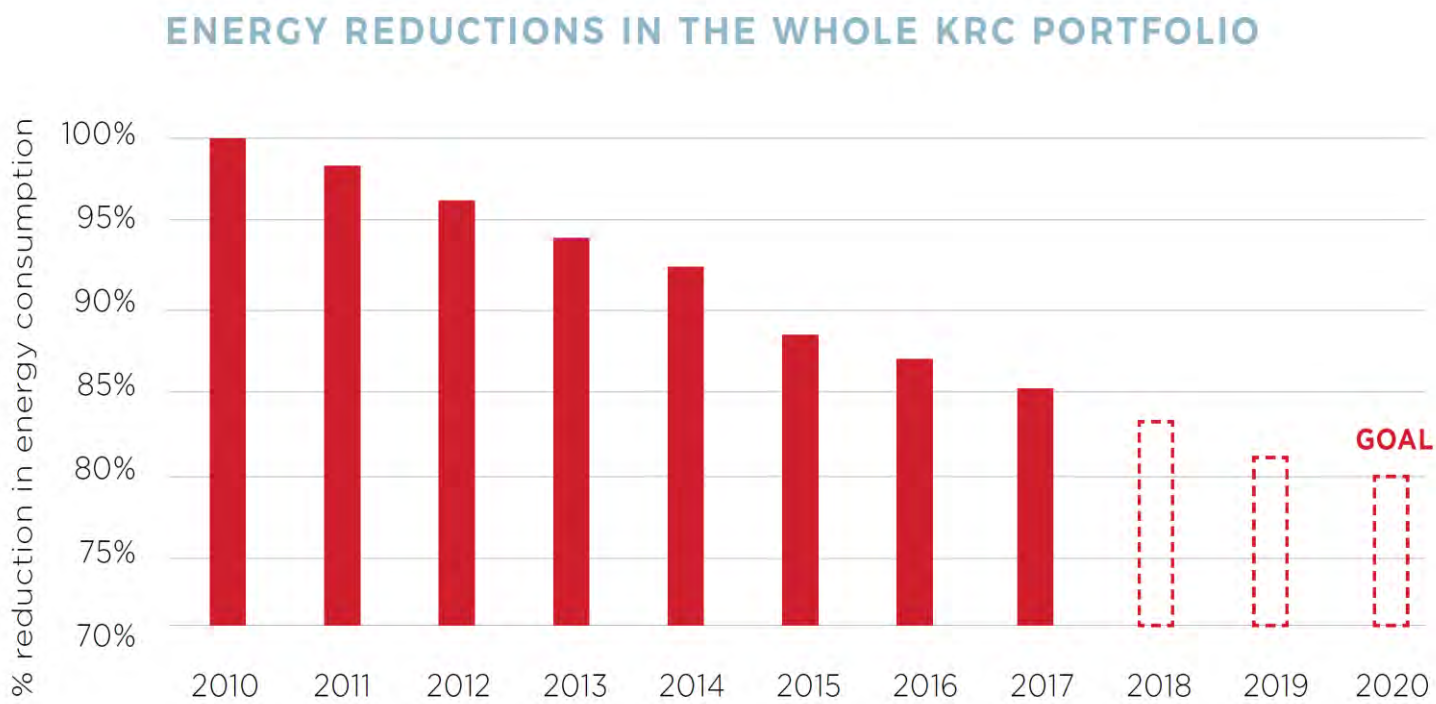
- Retrocommissioning project done in 2017
- Cost: \$40,000
- Savings: \$60,000/year
- No tenant comfort impact



360 Third St., San Francisco

SUSTAINABILITY HIGHLIGHTS

Value to
Our Investors



Since 2010 KRC reduced energy usage by 15% and water usage by 10%

**WE ONLY HAVE
ONE EARTH**



**KILROY IS DOING
ITS SHARE**

FINANCIAL OVERVIEW

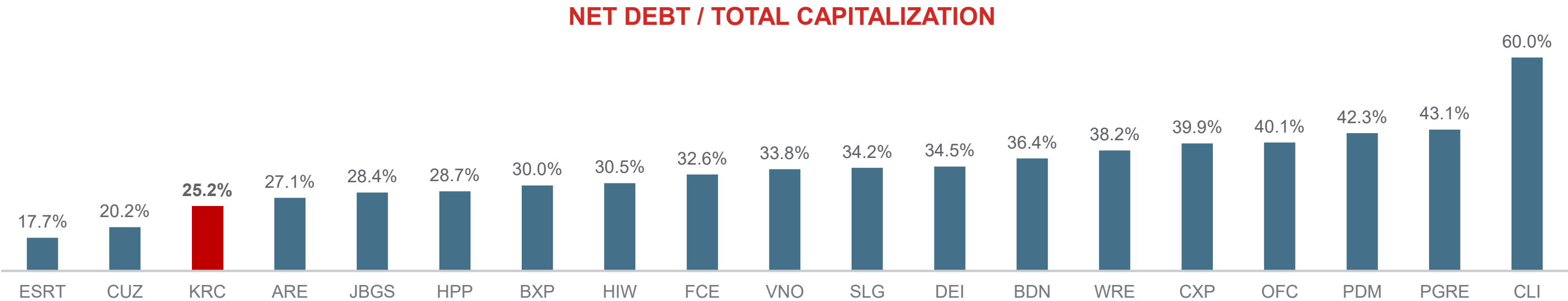
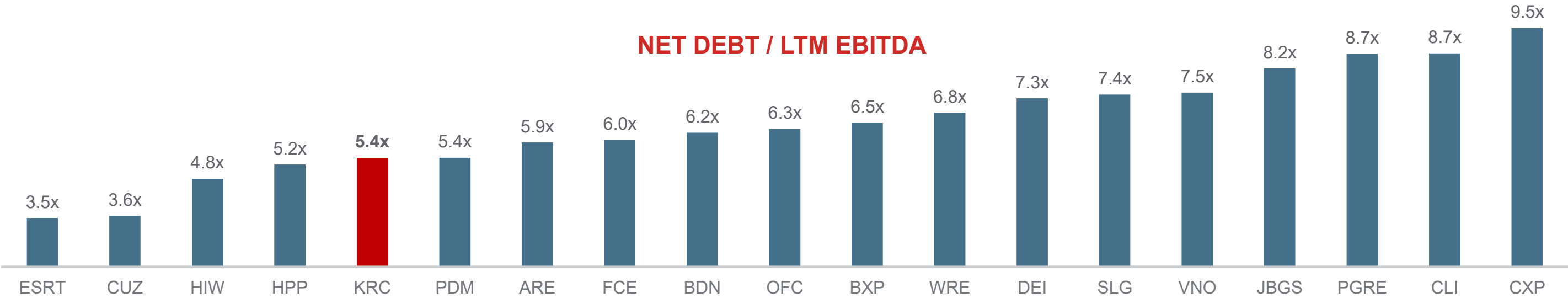
TYLER ROSE
CFO

BEST-IN-CLASS BALANCE SHEET

Baa2/BBB Stable Outlook Investment Grade Rated	5.6x Net Debt / EBITDA ⁽¹⁾	~\$1.0BN Borrowing Capacity on Revolver ⁽²⁾	~7 years Average Debt Maturity Profile
~100% Debt is Fixed Rate (excluding bank debt)	No Significant Debt Maturities until 2020		Over 85% Portfolio Is Unencumbered ⁽³⁾

(1) As of 03.31.18 based on annualized 1Q18 GAAP EBITDA adjusted for acquisition of Oyster Point Tech Center. Pro rata for our 56% ownership interest in the Norges strategic venture.
(2) As of 05.31.18 and includes accordion feature.
(3) As defined per the Company's credit agreement.

BEST-IN-CLASS BALANCE SHEET

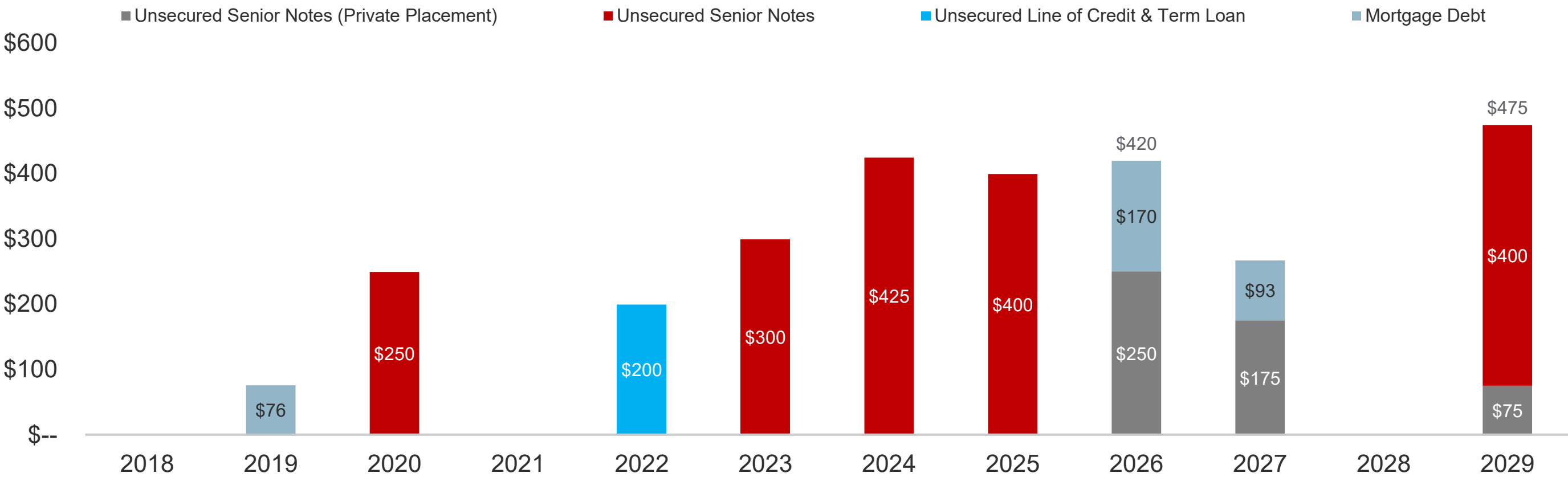


Source: SNL Market Intelligence as of 03.31.18.

BEST-IN-CLASS BALANCE SHEET

Well Staggered Maturity Schedule (\$MM)

No Substantial Maturities Until 2020



Note: Data as of 03.31.18, adjusted for recently executed private placement debt. Reflects the principal due each period and does not adjust for amortization of principal balances.

FUNDING & FLEXIBILITY

Phasing Optionality

Development spending can be flexible and subject to market demand

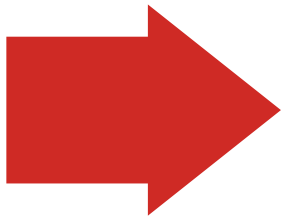
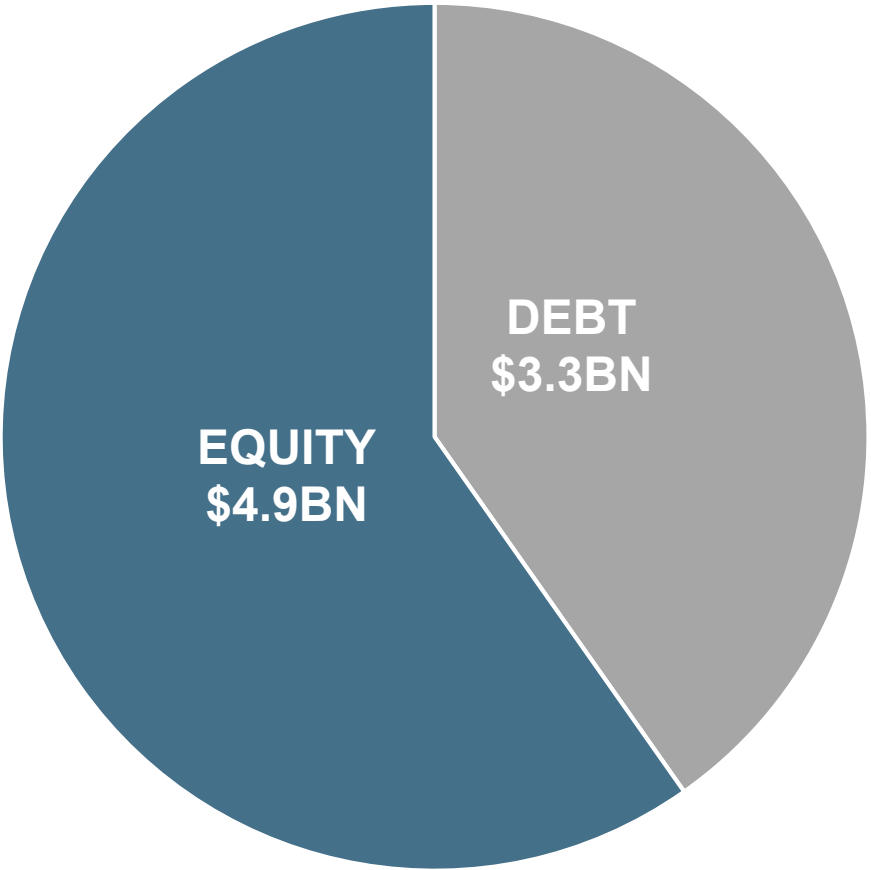
Category	Projects	2018E	2019E	2020E
Under Construction	The Exchange 100 Hooper 333 Dexter One Paseo – 96K SF Retail / 608 Residential Academy on Vine – 306K SF Office / 24K SF Retail	~\$915MM		
Future Projects	2100 Kettner Academy on Vine – Residential One Paseo – Office 9455 Towne Centre Drive The Flower Mart Kilroy Oyster Point	~\$0 to ~\$1,230MM		
TOTAL		~\$915MM to ~\$2,145MM		

Note: Represents latest management estimates.

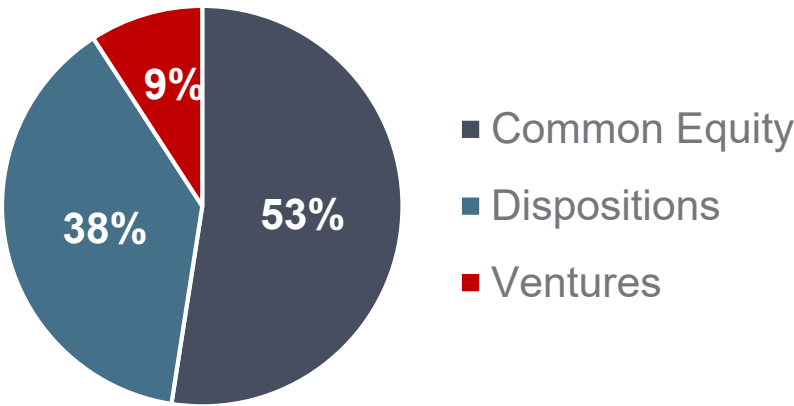
FUNDING & FLEXIBILITY

Diverse Capital Sources

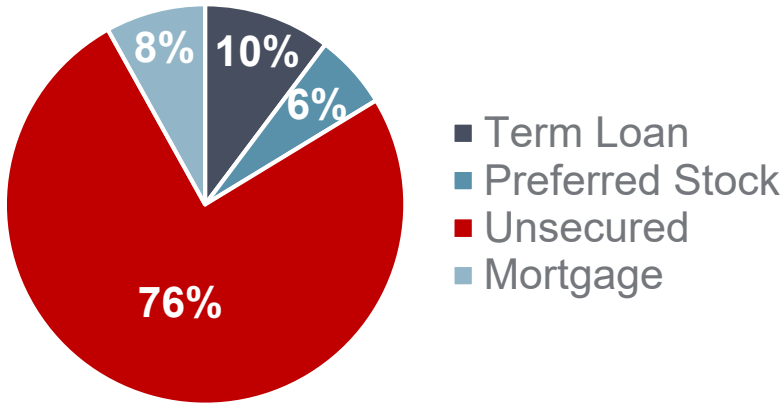
\$8.2BN Raised Since 2010 ⁽¹⁾



Equity (60%)



Debt (40%)



Recent Activities

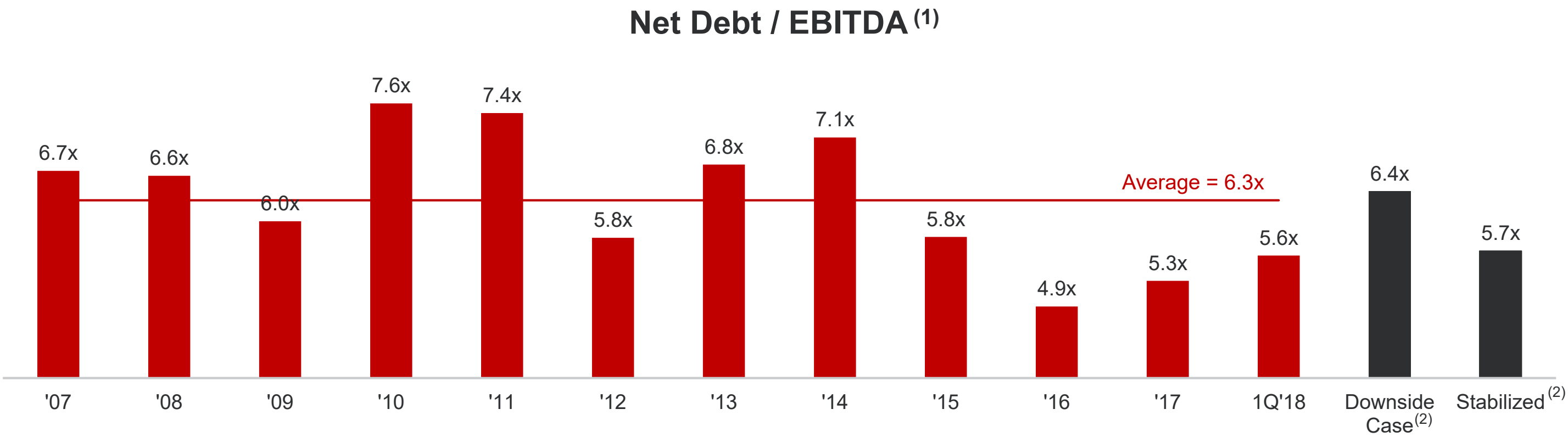
- \$250MM debt private placement at a 4.3% interest rate
- \$100MM ATM issuance at average price of \$73
- New \$500MM ATM program
- Well underway on 2018 dispositions

(1) Excludes revolver and new \$500MM ATM program, which includes a forward feature.

FUNDING & FLEXIBILITY

Conservative Track Record

Flexibility to fund development without compromising balance sheet

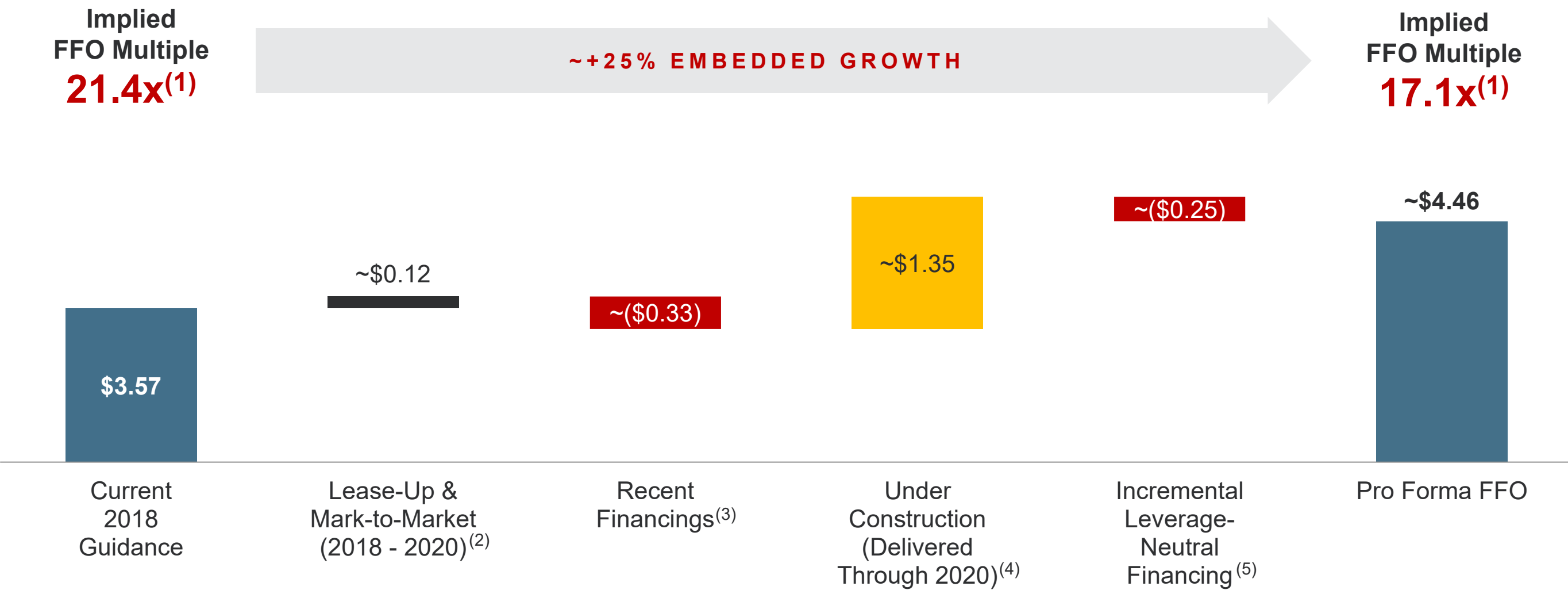


(1) EBITDA excludes transaction costs, gain on sale of land and preferred stock redemption charges. Pro rata for our 56% ownership interest in the Norges strategic venture.
(2) Downside case assumes remaining commitment for development under construction is funded with only debt and no additional leasing is completed. Stabilized assumes leasing targets are achieved.

FUNDING & FLEXIBILITY

Illustrative FFO Growth

Substantial embedded growth as Development stabilizes



Note: Does not reflect impact from new lease accounting rules effective 2019.

- (1) Based on 05.31.18 closing stock price.
- (2) Represents stabilized results from lease-up of recent acquisitions and development projects and mark-to-market adjustments on remaining 2018 – 2020 expirations.
- (3) Reflects annualized impact from ~ \$500MM of asset sales, \$100MM of recent ATM activities and \$250MM of recently executed private placement debt.
- (4) Reflects stabilized GAAP NOI contribution from development projects.
- (5) Reflects impact from leverage-neutral financing.

CONCLUSIONS

Recap of 2018 Goals

- Address major 2018 move-outs and get ahead of 2019 expirations
- Harvesting opportunities within the portfolio
- On-time and on-budget delivery of 2018 construction projects: The Exchange and 100 Hooper
- Progress in development leasing
- Strategic execution of disposition program



100 Hooper St., San Francisco

CONCLUSIONS

- Best-in-class real estate in the most vibrant markets
- Thoughtful, forward-looking and opportunistic team
- Disciplined approach to capital allocation and balance sheet
- Strong growth opportunities



The Heights, San Diego

Thank You!

Q&A

K I L R O Y

Where Innovation Works

