



PAC-12 CONFERENCE

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For Immediate Release // December 16, 2011

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PAC-12 ENTERPRISES AND PAC-12 NETWORKS SECURE NEW HEADQUARTERS IN SAN FRANCISCO

Pac-12 Enterprises signs 11-year Lease with Kilroy Realty Corporation for Office, Digital Media and Broadcasting Space in SOMA District

SAN FRANCISCO, CALIF. – Pac-12 Enterprises, the diversified and integrated content and media company of the Pac-12 Conference, has secured its headquarters in San Francisco after signing an 11-year, multi-floor lease with Kilroy Realty Corporation (NYSE:KRC) at 370 Third Street in the South of Market District, it was announced today.

The new space, in the technology-rich SOMA district, will serve as the headquarters and operations hub for the new Pac-12 Networks, the Pac-12 Digital Network and Pac-12 Properties, the sponsorship, licensing and events management arm for the Conference. Pac-12 Enterprises will initially utilize 70,000 square feet for its office space and create a state-of-the-art studio for the Pac-12 Networks, which will televise more than 850 live sporting events annually, including every Conference football game and men's basketball game that isn't carried by its national telecast partners ESPN and FOX as well as providing unprecedented exposure for women's sports and Olympic sports, where the Pac-12 has had more success than any other Conference in the country.

"In KRC and the City of San Francisco we have two great partners to help us build and grow our real estate footprint to match our needs," Pac-12 Enterprises President Gary Stevenson said. "We love the vibrancy of San Francisco and believe it will be very conducive to the environment we envision. As we determine how we will distribute our content it is exciting to know we are very close to the most innovative and forward thinking companies. We are in the ideal location. It's very exciting."

Pac-12 Enterprises was created earlier this year to develop and launch the Pac-12 Networks and Pac-12 Digital Network and to control the distribution of the Pac-12 intellectual property rights in sports, education and other Conference and membership initiatives. In addition to expanding the reach and exposure for all 12 member institutions across the country, Pac-12 Enterprises is developing a strategy to extend Pac-12 programming to international audiences, especially in the Pacific Rim, where the Conference already enjoys wide recognition for the quality of its athletic competition and for the prestige of its member universities' academic and research programs. With a nation-leading 444 NCAA titles, the Pac-12 has earned the distinction as the "Conference of Champions." The new venture will bring more than 150 new jobs to the Bay Area.

“San Francisco is a perfect intersection of sports, entertainment and technology, and I am thrilled by the Pac-12 decision to base their operations here, demonstrating once again that San Francisco is attracting an incredible mix of talent and industry from across the nation,” San Francisco Mayor Edwin M. Lee said. “Pac-12 Enterprises will not only have access to the best and brightest creative talent for their staff here but they will also tap into the City’s innovative culture and entrepreneurial spirit as they grow their media company and innovate their business model.”

KRC and Bill Cumbelich of The CAC Group began working with Pac-12 Enterprises and Ed Grammens of Cushman Wakefield on a possible lease and tenant improvements agreement soon after the REIT signed a definitive agreement to purchase 370 Third Street in November 2011. Lease negotiations proceeded simultaneously with KRC’s acquisition closing activities on the property. As part of the final lease agreement, KRC has committed to completing the new office, digital media and studio space by mid-2012, when Pac-12 Enterprises is scheduled to take occupancy and begin setting up its digital media and broadcast operations.

With more than 60 years’ experience operating in West Coast real estate markets, KRC has become an innovator in rethinking and reshaping work environments for a roster of innovation-driven tenants that include technology, entertainment, digital media and biotechnology companies. Over the past 20 months, the company has acquired six office properties aggregating 2.1 million square feet of space in San Francisco’s SOMA district, making it the area’s largest owner of technology and media space.

“We’re delighted that Pac-12 Enterprises has chosen to work with KRC in creating its new office and broadcasting home in SOMA,” KRC president and CEO John Kilroy, Jr. said. “We believe in this market. We’re investing in its future. And we’re committed to ensuring that Pac-12 Networks and all our SOMA tenants have top quality work environments in which to build their innovative enterprises.”

KRC acquired 370 Third Street for just over \$92 million. The 430,000 square-foot, 7-story building is located in the center of the SOMA district, and is walking distance to BART, CalTrain and the future Transbay Terminal. The building is currently 9% leased to Comcast SportsNet. With the newly signed Pac-12 lease, the building is now just under 35% leased.

The Pac-12 Networks group encompasses a national network and six regional networks, in conjunction with four of the nation’s largest cable operators: Comcast, Time Warner Cable, Cox Communications and Bright House Networks. Set to begin in August 2012, the innovative arrangement marks the first time a U.S. collegiate conference or any other programmer has launched a collection of networks across a variety of platforms rather than a sole network. It also includes “TV everywhere” rights, permitting the networks to be viewed outside customers’ homes on any digital device, such as smartphones and tablet computers, creating a virtual “Pac-12 Everywhere.”

About the Pac-12 Conference

The Conference has a tradition as the “Conference of Champions,” earning more than 175 NCAA team titles over the past 20 years, and has led the nation in NCAA Championships in 44 of the last 50 years. The Conference comprises 12 leading U.S. universities: The University of Arizona, Arizona State University, the University of California-Berkeley, the University of California at Los Angeles (UCLA), the University of Oregon, Oregon State University, Stanford University, the University of Southern California, the University of Washington, Washington State University, the University of Utah, and the University of Colorado. Conference offices are located 25 miles east of San Francisco in Walnut Creek, CA. For more information on the Conference’s programs, member institutions, and Commissioner Larry Scott, go to www.pac-12.org.

About Kilroy Realty Corporation

KRC, a member of the S&P Small Cap 600 Index, is a West Coast-focused real estate investment trust active in the office and industrial property sectors. For over 60 years, the company has owned, developed, acquired and managed real estate assets primarily in the coastal regions of Los Angeles, Orange County, San Diego, greater Seattle and the San Francisco Bay Area. At September 30, 2011, the company owned 11.6 million rentable square feet of commercial office space and 3.6 million rentable square feet of industrial space. More information is available at <http://www.kilroyrealty.com>.

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