

Kilroy Realty Corporation
Third Quarter 2004 Supplemental Financial Information

Projected Funds From Operations Guidance for the Year Ended December 31, 2004
and Related Reconciliation to Net Income
(\$ in thousands, except per share amounts)

	<u>Projected 2004 Guidance</u>	
	<u>Low End</u>	<u>High End</u>
Net Income available for common shareholders	\$ 28,943	\$ 29,491
Adjustments:		
Minority interests in earnings of Operating Partnership	4,135	4,213
Depreciation and amortization	58,537	58,887
Net (gain) loss on disposition of operating properties	(6,148)	(6,148)
Funds From Operations	<u>\$ 85,467</u>	<u>\$ 86,443</u>
Weighted average common shares/units outstanding - diluted	32,497	32,497
FFO per common share/unit - diluted	<u>\$ 2.63</u>	<u>\$ 2.66</u>

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(\$ in thousands, except per share amounts)

	<u>Projected 2005 Guidance</u>	
	<u>Low End</u>	<u>High End</u>
Net Income available for common shareholders	\$ 25,661	\$ 30,326
Adjustments:		
Minority interests in earnings of Operating Partnership	3,499	4,135
Depreciation and amortization	58,590	59,790
Net (gain) loss on disposition of operating properties	-	-
Funds From Operations	<u>\$ 87,750</u>	<u>\$ 94,251</u>
Weighted average common shares/units outstanding - diluted	32,500	32,500
FFO per common share/unit - diluted	<u>\$ 2.70</u>	<u>\$ 2.90</u>