

**Kilroy Realty Corporation**  
**Third Quarter 2005 Supplemental Financial Information**

**Projected Funds From Operations Guidance for the Year Ended December 31, 2005**  
**and Related Reconciliation to Net Income**  
*(\$ in thousands, except per share amounts)*

	<u>Projected 2005 Guidance</u>	
	<u>Low End</u>	<u>High End</u>
<b>Net Income</b>	<b>\$ 37,903</b>	<b>\$ 39,147</b>
Adjustments:		
Minority interests in earnings of Operating Partnership	4,937	5,099
Depreciation and amortization	64,427	64,652
Net (gains) losses on disposition of operating properties	(30,610)	(30,610)
<b>Funds From Operations</b>	<b><u>\$ 76,657</u></b>	<b><u>\$ 78,288</u></b>
<b>Weighted average common shares/units outstanding - diluted</b>	<b>32,620</b>	<b>32,620</b>
<b>FFO per common share/unit - diluted</b>	<b><u>\$ 2.35</u></b>	<b><u>\$ 2.40</u></b>

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	<u>Projected 2006 Guidance</u>	
	<u>Low End</u>	<u>High End</u>
<b>Net Income</b>	<b>\$ 33,914</b>	<b>\$ 38,636</b>
Adjustments:		
Minority interests in earnings of Operating Partnership	4,417	5,032
Depreciation and amortization	64,630	65,830
Net (gains) losses on disposition of operating properties	-	-
<b>Funds From Operations</b>	<b><u>\$ 102,961</u></b>	<b><u>\$ 109,498</u></b>
<b>Weighted average common shares/units outstanding - diluted</b>	<b>32,686</b>	<b>32,686</b>
<b>FFO per common share/unit - diluted</b>	<b><u>\$ 3.15</u></b>	<b><u>\$ 3.35</u></b>