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**KILROY REALTY CORPORATION BREAKS GROUND
ON 350 MISSION STREET OFFICE TOWER**



SAN FRANCISCO, CA, April 16, 2013 – Kilroy Realty Corporation (*NYSE: KRC*) today announced its chief executive officer John Kilroy, Jr., San Francisco Mayor Edwin Lee and salesforce.com chief operating officer George Hu joined shovels today to break ground on San Francisco’s first new LEED Platinum tower at 350 Mission Street. Kilroy Realty’s sleek glass and concrete office tower is located at the corner of Mission and Fremont Streets, immediately across the street from the city’s new Transbay Transit Center and Millennium Tower.

The office tower, which has been 100 percent pre-leased to enterprise cloud computing leader salesforce.com since the project was first announced last fall, represents another milestone in the revitalization of the Mission Street corridor—now a

magnet for the city's burgeoning technology and media businesses. It is a strong confirmation of the city leadership's efforts to attract top quality employers and their high paying jobs to San Francisco's new commercial center. During the groundbreaking ceremony for the new tower, Mayor Lee said "The construction of 350 Mission Street affirms the investor confidence in our City, and I am pleased to partner with salesforce.com and Kilroy Realty on this exciting venture to help deliver on a vision for the Transbay district where people can live, work and play sustainably with rich access to regional transportation." Salesforce.com COO George Hu followed the Mayor by saying, "The 350 Mission office tower will be an incredible addition to salesforce.com's expanding downtown San Francisco campus. We are proud to have our global headquarters in San Francisco and we are committed to continuing to grow and add jobs in the City."

With its open floor plates, high ceilings, concrete side core which creates more contiguous open space, full height glass to provide more natural light and highly energy-efficient operating systems, 350 Mission Street is a testament to the ways in which the creative and knowledge driven companies, collaborative work styles and environmentally savvy employees have influenced commercial office design. The new office tower's design incorporates many state-of-the-art sustainability practices, including use of recycled materials and leading edge energy efficiency technologies.

"It is very rare to have an opportunity to develop from scratch a cutting edge work environment in one of the nation's most forward-looking cities for one of the most innovative companies in the world," said KRC's CEO John Kilroy, Jr. "We view this project as an important demonstration of what imaginative partners, focused on sustainable development, can accomplish."

Over the past three years, KRC has built a leading platform in the San Francisco Bay Area with a deep and experienced management team and a portfolio of more than 4.2 million square feet of state of the art office space. Kilroy Realty is now one of SOMA's largest Class A owners of office space.

About 350 Mission Street. Situated at the corner of Mission and Fremont Streets directly across the street from the new Transbay Transit Center, KRC's 350 Mission Street development project encompasses up to 450,000 square-feet, which adapt the company's signature open-plan workspace concepts to a high-rise office environment.

The concrete and glass tower will feature a side-wall service core, storm water collection and under floor air systems; and 11-foot exterior glass walls that allow for large, open floor plates; high, uncluttered ceilings and an abundance of natural light. The tower will also feature a massive, open air entry lobby with a 3 story tall LED digital media canvas—the first of its kind in San Francisco. With an overall design and operating systems that incorporate state-of-the-art sustainability practices and energy-efficiency standards, 350 Mission Street is targeting LEED Platinum for Core & Shell certification—the first ground up commercial development property in San Francisco to do so. The property is now under construction with an expected completion date in early 2015. It is 100% pre-leased to enterprise cloud-computing leader salesforce.com. More information is available at <http://www.kilroyrealty.com>.

About KRC. Kilroy Realty Corporation, a member of the S&P MidCap 400 Index, is a real estate investment trust active in knowledge based West Coast office markets. For over 65 years, the company has owned, developed, acquired and managed real estate assets primarily in the coastal regions of Los Angeles, Orange County, San Diego, the San Francisco Bay Area and greater Seattle. At December 31, 2012, the company owned 13.2 million rentable square feet of commercial office space. In addition the company has pre-leased over \$800 million of development projects in the San Francisco Bay Area. More information is available at <http://www.kilroyrealty.com>.

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