



First Quarter 2000 Supplemental Financial Report

	<u>Page</u>
Financial Highlights	1
Consolidated Balance Sheets	2
Consolidated Statements of Operations	3
Funds From Operations and Funds Available for Distribution	4
Net Operating Income Breakdown	5
Same Store Analysis	6
Stabilized Portfolio Occupancy Overview	7
Leasing Activity	8
Lease Expiration Schedule	9
Dispositions	10
Stabilized Development	11
In-Process and Committed Development Projects	12
Future Development Pipeline	13
Capital Structure	14
Share Repurchase Program Summary	15
Debt Analysis	16

Some of the enclosed information presented is forward-looking in nature, including information concerning development timing and investment amounts. Although the information is based on Kilroy Realty Corporation's current expectations, actual results could vary from expectations stated here. Numerous factors will affect Kilroy Realty Corporation's actual results, some of which are beyond its control. These include the timing and strength of regional economic growth, the strength of commercial and industrial real estate markets, competitive market conditions, future interest rate levels and capital market conditions. You are cautioned not to place undue reliance on this information, which speaks only as of the date of this report. Kilroy Realty Corporation does not undertake responsibility to update this information for any unanticipated events which may cause actual results to differ from those expressed or implied by this information.

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Financial Highlights

(unaudited, \$ in thousands, except per share amounts)

	Three Months Ended March 31,		
	2000	1999	% Change
INCOME ITEMS:			
Revenues	\$43,764	\$37,550	16.5%
Net Operating Income	34,236	28,670	19.4%
Net Income	9,578	9,910	(3.4%)
Funds From Operations	20,680	18,790	10.1%
Funds Available for Distribution	18,474	16,594	11.3%
Funds From Operations per share – diluted	\$0.66	\$0.59	11.9%
Funds Available for Distribution per share – diluted	0.59	0.52	13.5%
Dividend per share	\$0.45	\$0.42	7.1%
RATIOS:			
Interest Coverage Ratio (1)	4.0x	4.7x	
Fixed Charge Coverage Ratio (2)	2.8x	3.3x	
FFO Payout Ratio (3)	65.3%	72.2%	(6.9%)
FAD Payout Ratio (4)	73.1%	81.8%	(8.7%)

	Mar. 31, 2000	Dec. 31, 1999	% Change
ASSETS:			
Investments in Real Estate before Depreciation	\$1,455,825	\$1,410,238	3.2%
Total Assets	1,346,759	1,320,501	2.0%
CAPITALIZATION:			
Total Debt	\$625,342	\$553,516	13.0%
Total Preferred Stock (5)	155,000	155,000	--
Total Market Equity Value (5)	632,460	716,831	(11.8%)
Total Market Capitalization (5)	1,412,802	1,425,347	(0.9%)
Total Debt / Total Market Capitalization	44.3%	38.8%	5.5%

(1) Calculated as earnings before interest expense and depreciation and amortization divided by interest expense.

(2) Calculated as earnings before interest expense and depreciation and amortization divided by interest expense and current year distributions on Cumulative Redeemable Preferred units

(3) Calculated as current year dividends paid and accrued to common shareholders and common unitholders divided by Funds From Operations.

(4) Calculated as current year dividends paid and accrued to common shareholders and common unitholders divided by Funds Available for Distribution.

(5) See "Capital Structure" on page 14.

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Consolidated Balance Sheets

(unaudited, \$ in thousands)

	<u>March 31,</u> <u>2000</u>	<u>December 31,</u> <u>1999</u>
ASSETS:		
Land and improvements	\$276,318	\$274,463
Buildings and improvements	959,035	946,130
Undeveloped land and construction in progress, net	<u>220,472</u>	<u>189,645</u>
Total investment in real estate	1,455,825	1,410,238
Accumulated depreciation and amortization	<u>-182,453</u>	<u>-174,427</u>
Investment in real estate, net	1,273,372	1,235,811
Cash and cash equivalents	9,301	26,116
Restricted cash	5,361	6,636
Tenant receivables, net	24,760	22,078
Deferred financing and leasing costs, net	30,306	27,840
Prepaid expenses and other assets	<u>3,659</u>	<u>2,020</u>
TOTAL ASSETS	<u>\$1,346,759</u>	<u>\$1,320,501</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
<i>Liabilities:</i>		
Mortgage debt	\$332,842	\$325,516
Unsecured line of credit	292,500	228,000
Accounts payable and accrued expenses	25,792	26,260
Accrued distributions	13,513	13,456
Rents received in advance and tenant security deposits	<u>19,083</u>	<u>20,287</u>
Total liabilities	<u>683,730</u>	<u>613,519</u>
<i>Minority Interests:</i>		
8.075% Series A Cumulative Redeemable Preferred unitholders	73,716	73,716
9.375% Series C Cumulative Redeemable Preferred unitholders	34,464	34,464
9.250% Series D Cumulative Redeemable Preferred unitholders	44,322	44,022
Common unitholders of the Operating Partnership	63,468	71,920
Minority interest in Development LLCs	<u>9,599</u>	<u>9,931</u>
Total minority interests	<u>225,569</u>	<u>234,053</u>
<i>Stockholders' Equity:</i>		
Common stock	262	278
Additional paid-in capital	457,974	491,204
Distributions in excess of earnings	<u>-20,776</u>	<u>-18,553</u>
Total stockholders' equity	<u>437,460</u>	<u>472,929</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$1,346,759</u>	<u>\$1,320,501</u>

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Consolidated Statements of Operations

(unaudited, \$ in thousands, except per share amounts)

	Three Months Ended March 31,		
	2000	1999	% Change
REVENUES:			
Rental income	\$37,702	\$32,818	14.9%
Tenant reimbursements	4,694	4,123	13.8%
Interest income	294	400	(26.5%)
Other income	<u>1,074</u>	<u>209</u>	413.9%
Total revenues	<u>43,764</u>	<u>37,550</u>	16.5%
EXPENSES:			
Property expenses	5,458	5,134	6.3%
Real estate taxes	3,387	3,009	12.6%
General and administrative expenses	2,632	2,314	13.7%
Ground leases	389	337	15.4%
Interest expense	7,828	5,759	35.9%
Depreciation and amortization	<u>9,323</u>	<u>7,217</u>	29.2%
Total expenses	<u>29,017</u>	<u>23,770</u>	22.1%
INCOME BEFORE LOSS ON DISPOSITION OF OPERATING PROPERTY, EQUITY IN INCOME OF UNCONSOLIDATED SUBSIDIARY AND MINORITY INTERESTS			
	14,747	13,780	7.0%
Loss on disposition of operating property	(305)		(100.0%)
Equity in income of unconsolidated subsidiary	<u>7</u>	<u> </u>	100.0%
INCOME BEFORE MINORITY INTERESTS	<u>14,449</u>	<u>13,780</u>	4.9%
MINORITY INTERESTS:			
Distributions on Cumulative Redeemable Preferred units	(3,375)	(2,334)	44.6%
Minority interest in earnings of Operating Partnership	(1,372)	(1,536)	(10.7%)
Minority interest in earnings of Development LLCs	(124)		(100.0%)
Total minority interests	<u>(4,871)</u>	<u>(3,870)</u>	25.9%
NET INCOME	<u>\$9,578</u>	<u>\$9,910</u>	(3.4%)
Weighted average shares outstanding - basic	27,228	27,633	
Weighted average shares outstanding - diluted	27,229	27,633	
NET INCOME PER COMMON SHARE:			
Income per common share - basic	<u>\$0.35</u>	<u>\$0.36</u>	(2.8%)
Income per common share - diluted	<u>\$0.35</u>	<u>\$0.36</u>	(2.8%)

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Funds From Operations and Funds Available for Distribution

(unaudited, \$ in thousands, except per share amounts)

	Three Months Ended March 31,		
	2000	1999	% Change
FUNDS FROM OPERATIONS:			
Net income	\$9,578	\$9,910	(3.4%)
Adjustments:			
Minority interest in earnings of Operating Partnership	1,372	1,536	(10.7%)
Depreciation and amortization	9,323	7,217	29.2%
Loss on disposition of operating property	305	-	100.0%
Other	<u>102</u>	<u>127</u>	(19.7%)
Funds From Operations	<u>\$20,680</u>	<u>\$18,790</u>	10.1%
Weighted average common shares/units outstanding - basic	31,130	31,913	
Weighted average common shares/units outstanding - diluted	31,130	31,913	
Funds From Operations per common share/unit - basic	<u>\$0.66</u>	<u>\$0.59</u>	11.9%
Funds From Operations per common share/unit - diluted	<u>\$0.66</u>	<u>\$0.59</u>	11.9%
FUNDS AVAILABLE FOR DISTRIBUTION:			
Funds From Operations	\$20,680	\$18,790	10.1%
Adjustments:			
Amortization of deferred financing costs	206	294	(29.9%)
Tenant improvements, leasing commissions and recurring capital expenditures	(904)	(1,101)	(17.9%)
Net effect of straight-line rents	<u>(1,508)</u>	<u>(1,389)</u>	8.6%
Funds Available for Distribution	<u>\$18,474</u>	<u>\$16,594</u>	11.3%
Funds Available for Distribution per common share/unit - basic	<u>\$0.59</u>	<u>\$0.52</u>	13.5%
Funds Available for Distribution per common share/unit - diluted	<u>\$0.59</u>	<u>\$0.52</u>	13.5%

Kilroy Realty Corporation
First Quarter 2000 Supplemental Financial Report

Net Operating Income Breakdown

	Three Months Ended <u>March 31, 2000</u>
% OF TOTAL NOI BY SEGMENT TYPE:	
<i>Office:</i>	
Los Angeles	34.2%
Orange County	6.3%
San Diego	19.9%
Other	<u>6.2%</u>
Subtotal	<u>66.6%</u>
 <i>Industrial:</i>	
Los Angeles	4.5%
Orange County	20.1%
San Diego	1.8%
Other	<u>7.0%</u>
Subtotal	<u>33.4%</u>
 % OF TOTAL NOI BY REGION:	
Los Angeles	38.7%
Orange County	26.4%
San Diego	21.7%
Other	<u>13.2%</u>
Total Portfolio	<u>100.0%</u>

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Same Store Analysis ⁽¹⁾ (\$ in thousands)

	Three Months Ended March 31,			
	2000	1999	\$ Change	% Change
TOTAL SAME STORE PORTFOLIO:				
<i>Operating Revenues:</i>				
Rental income	\$32,900	\$31,508	\$1,392	4.4%
Tenant reimbursements	4,175	4,055	120	3.0%
Other income	<u>1,070</u>	<u>78</u>	<u>992</u>	1271.8%
Total operating revenues	<u>\$38,145</u>	<u>\$35,641</u>	<u>\$2,504</u>	7.0%
<i>Operating Expenses:</i>				
Property expenses	\$5,031	\$4,985	\$46	0.9%
Real estate taxes	2,892	2,892	-	0.0%
Ground leases	<u>352</u>	<u>324</u>	<u>28</u>	8.6%
Total operating expenses	<u>\$8,275</u>	<u>\$8,201</u>	<u>\$74</u>	0.9%
<i>Net Operating Income</i>	<u>\$29,870</u>	<u>\$27,440</u>	<u>\$2,430</u>	8.9%

AVERAGE OCCUPANCY - SAME STORE PORTFOLIO			
	Three Months Ended March 31,		
	2000	1999	% Change
Office	96.1%	94.1%	2.0%
Industrial	96.7%	96.4%	0.3%
Total	96.4%	95.2%	1.2%

(1) Same store defined as all stabilized properties owned at January 1, 1999 and still owned at March 31, 2000.

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Stabilized Portfolio Occupancy Overview

	# of Buildings	Square Feet			Occupancy at:		
		Total	Leased	Available	3/31/2000	12/31/1999	12/31/1998
OCCUPANCY BY SEGMENT TYPE:							
<i>Office:</i>							
Los Angeles	28	2,554,453	2,492,882	61,571	97.6%	97.4%	95.6%
Orange County	22	912,972	785,020	127,952	86.0%	85.9%	92.9%
San Diego	29	2,048,102	2,029,881	18,221	99.1%	99.1%	100.0%
Other	<u>6</u>	<u>709,615</u>	<u>697,844</u>	<u>11,771</u>	98.3%	98.7%	91.1%
Subtotal	<u>85</u>	<u>6,225,142</u>	<u>6,005,627</u>	<u>219,515</u>	96.5%	96.4%	95.7%
<i>Industrial:</i>							
Los Angeles	7	554,225	435,463	118,762	78.6%	99.2%	99.0%
Orange County	63	4,503,551	4,442,753	60,798	98.6%	96.4%	95.4%
San Diego	2	122,592	122,592	-	100.0%	100.0%	100.0%
Other	<u>13</u>	<u>1,251,507</u>	<u>1,251,507</u>	<u>-</u>	100.0%	97.2%	95.6%
Subtotal	<u>85</u>	<u>6,431,875</u>	<u>6,252,315</u>	<u>179,560</u>	97.2%	96.9%	96.0%
OCCUPANCY BY REGION:							
Los Angeles	35	3,108,678	2,928,345	180,333	94.2%	97.7%	96.4%
Orange County	85	5,416,523	5,227,773	188,750	96.5%	94.7%	94.9%
San Diego	31	2,170,694	2,152,473	18,221	99.2%	99.2%	100.0%
Other	<u>19</u>	<u>1,961,122</u>	<u>1,949,351</u>	<u>11,771</u>	99.4%	97.8%	94.0%
TOTAL PORTFOLIO	<u>170</u>	<u>12,657,017</u>	<u>12,257,942</u>	<u>399,075</u>	96.8%	96.7%	95.9%

AVERAGE OCCUPANCY - STABILIZED PORTFOLIO			
	<u>Office</u>	<u>Industrial</u>	<u>Total</u>
1st Quarter	96.5%	97.1%	96.8%

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Leasing Activity

	1st Quarter									
					2nd Generation				Retention Rates ⁽⁵⁾	Weighted Average Lease Term (Mo.)
	# of Leases ⁽¹⁾		Square Feet ⁽¹⁾		Maintenance		Changes in Rents ⁽³⁾	Changes in Cash Rents ⁽⁴⁾		
	New	Renewal	New	Renewal	TI/LC Per Sq.Ft.	Capex Per Sq.Ft. ⁽²⁾				
Office	9	15	18,327	89,705	\$2.40	\$0.01	20.7%	19.1%	67.4%	24
Industrial	<u>13</u>	<u>15</u>	<u>196,840</u>	<u>324,827</u>	<u>\$2.40</u>	<u>\$0.00</u>	<u>36.9%</u>	<u>31.4%</u>	<u>65.6%</u>	<u>68</u>
Total	<u>22</u>	<u>30</u>	<u>215,167</u>	<u>414,532</u>	<u>\$2.40</u>	<u>\$0.00</u>	<u>29.9%</u>	<u>26.1%</u>	<u>66.0%</u>	<u>60</u>

(1) Includes first and second generation space, net of month-to-month leases. Excludes leasing on new construction. First generation space is defined as the space first leased by the Company.

(2) Calculated over entire stabilized portfolio.

(3) Calculated as the change between GAAP rents for new/renewed leases and the expiring GAAP rents for the same space.

(4) Calculated as the change between stated rents for new/renewed leases and the expiring stated rents for the same space.

(5) Calculated as the percentage of space either renewed or expanded into by existing tenants at lease expiration.

Kilroy Realty Corporation
First Quarter 2000 Supplemental Financial Report

Lease Expiration Schedule
(\$ in thousands)

<u>Year of Expiration</u>	<u># of Expiring Leases</u>	<u>Total Square Feet</u>	<u>% of Total Leased Sq. Ft.</u>	<u>Annual Base Rent</u>	<u>Annual Rent per Sq. Ft.</u>
OFFICE:					
Remaining 2000	64	258,687	4.4%	\$5,441	\$21.03
2001	87	964,884	16.4%	16,095	16.68
2002	67	483,792	8.2%	8,144	16.83
2003	47	257,283	4.4%	4,945	19.22
2004	51	818,826	13.9%	18,437	22.52
2005	27	771,916	13.1%	11,417	14.79
2006	15	399,475	6.8%	7,607	19.04
2007	10	511,571	8.7%	8,948	17.49
2008	8	315,214	5.4%	6,277	19.91
2009 and Beyond	<u>16</u>	<u>1,108,770</u>	<u>18.7%</u>	<u>29,575</u>	26.67
Subtotal	<u>392</u>	<u>5,890,418</u>	<u>100.0%</u>	<u>\$116,886</u>	\$19.84
INDUSTRIAL:					
Remaining 2000	50	697,393	11.3%	\$5,522	\$7.92
2001	65	789,173	12.8%	5,524	7.00
2002	38	312,904	5.1%	2,826	9.03
2003	31	761,613	12.4%	5,944	7.80
2004	17	594,181	9.6%	4,517	7.60
2005	11	533,660	8.7%	3,541	6.64
2006	8	580,116	9.4%	5,290	9.12
2007	4	235,703	3.8%	2,719	11.54
2008	6	749,566	12.2%	5,779	7.71
2009 and Beyond	<u>14</u>	<u>904,088</u>	<u>14.7%</u>	<u>8,858</u>	9.80
Subtotal	<u>244</u>	<u>6,158,397</u>	<u>100.0%</u>	<u>\$50,520</u>	\$8.20
TOTAL PORTFOLIO:					
Remaining 2000	114	956,080	7.9%	\$10,963	\$11.47
2001	152	1,754,057	14.6%	21,619	12.33
2002	105	796,696	6.6%	10,970	13.77
2003	78	1,018,896	8.5%	10,889	10.69
2004	68	1,413,007	11.7%	22,954	16.24
2005	38	1,305,576	10.8%	14,958	11.46
2006	23	979,591	8.1%	12,897	13.17
2007	14	747,274	6.2%	11,667	15.61
2008	14	1,064,780	8.8%	12,056	11.32
2009 and Beyond	<u>30</u>	<u>2,012,858</u>	<u>16.8%</u>	<u>38,433</u>	19.09
Total Portfolio	<u>636</u>	<u>12,048,815</u>	<u>100.0%</u>	<u>\$167,406</u>	\$13.89

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Dispositions (*\$ in thousands*)

Property	Location	Type	Month Of Disposition	Rentable Square Feet	Sales Price
1st QUARTER:					
26212 - 26242 Dimension Drive	Lake Forest, CA	Industrial	January	<u>45,300</u>	<u>\$3,350</u>
TOTAL YEAR-TO-DATE DISPOSITIONS				<u>45,300</u>	<u>\$3,350</u>

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Stabilized Development (*\$ in thousands*)

Project	Location	Type	Start Date	Completion Date	Rentable Square Feet	Total Est. Investment	Occupancy
1st QUARTER:							
Brobeck, Phleger & Harrison	Del Mar, CA	Office	1Q 1999	1Q 2000	<u>72,332</u>	<u>\$15,649</u>	100%
TOTAL YEAR-TO-DATE STABILIZED DEVELOPMENT					<u>72,332</u>	<u>\$15,649</u>	100%

Some of the enclosed information presented is forward-looking in nature, including information concerning development timing and investment amounts. Although the information is based on Kilroy Realty Corporation's current expectations, actual results could vary from expectations stated here. Numerous factors will affect Kilroy Realty Corporation's actual results, some of which are beyond its control. These include the timing and strength of regional economic growth, the strength of commercial and industrial real estate markets, competitive market conditions, future interest rate levels and capital market conditions. You are cautioned not to place undue reliance on this information, which speaks only as of the date of this report. Kilroy Realty Corporation does not undertake responsibility to update this information for any unanticipated events which may cause actual results to differ from those expressed or implied by this information.

Kilroy Realty Corporation
First Quarter 2000 Supplemental Financial Report
In-Process and Committed Development Projects
(\$ in thousands)

Project	Location	Type	Est. Construction Period		Est. Stabilization Date ⁽²⁾	Rentable Square Feet	Total Est. Investment	% Committed ⁽³⁾
			Start Date	Completion Date				
PROJECTS IN LEASE-UP:								
None								
PROJECTS UNDER CONSTRUCTION:								
Calabasas Park Centre - Phase I	Calabasas, CA	Office	3Q 1999	3Q 2000	4Q 2000	102,320	\$18,175	100%
Carmel Mountain Technology Center	San Diego, CA	Office	4Q 1999	3Q 2000	3Q 2000	103,000	17,708	100%
Kilroy Airport Center, Long Beach - 7 Story	Long Beach, CA	Office	2Q 1999	3Q 2000	4Q 2000	191,762	31,257	81%
Pacific Technology Center	San Diego, CA	Office	1Q 2000	4Q 2000	4Q 2001	65,671	10,951	0%
Peregrine Systems Corporate Center - Bldg. 2 ⁽¹⁾	Del Mar, CA	Office	2Q 1999	2Q 2000	2Q 2000	129,680	26,249	100%
Peregrine Systems Corporate Center - Bldg. 5 ⁽¹⁾	Del Mar, CA	Office	3Q 1999	3Q 2000	3Q 2000	112,067	22,667	100%
Sorrento Gateway - Lot 5 ⁽¹⁾	San Diego, CA	Office	1Q 2000	4Q 2000	4Q 2000	75,520	18,375	100%
Sorrento Rim - Parcel C	San Diego, CA	Office	1Q 2000	3Q 2000	3Q 2000	62,415	8,307	100%
Westside Media Center - Phase II	West LA, CA	Office	3Q 1999	4Q 2000	4Q 2000	<u>151,000</u>	<u>42,799</u>	100%
Subtotal						<u>993,435</u>	<u>\$196,488</u>	90%
TOTAL PROJECTS IN LEASE-UP AND UNDER CONSTRUCTION						<u>993,435</u>	<u>\$196,488</u>	90%
COMMITTED DEVELOPMENT:								
Calabasas Park Centre - Phase II	Calabasas, CA	Office	2Q 2000	1Q 2001	1Q 2002	98,706	\$18,503	41%
Calabasas Park Centre - Phase III	Calabasas, CA	Office	3Q 2000	1Q 2001	1Q 2001	11,744	2,146	0%
Peregrine Systems Corporate Center - Bldg. 3 ⁽¹⁾	Del Mar, CA	Office	2Q 2000	2Q 2001	2Q 2002	127,853	27,298	100%
Sorrento Gateway - Lot 4 ⁽¹⁾	San Diego, CA	Office	1Q 2001	4Q 2001	4Q 2001	60,060	15,004	100%
Sorrento Rim Business Park II	San Diego, CA	Office	2Q 2000	2Q 2001	2Q 2001	<u>102,875</u>	<u>24,968</u>	100%
Subtotal						<u>401,238</u>	<u>\$87,919</u>	83%
TOTAL IN-PROCESS AND COMMITTED DEVELOPMENT PROJECTS						<u>1,394,673</u>	<u>\$284,407</u>	88%

(1) Project is being developed by a Development LLC in which the Company holds a 50% managing interest. The estimated investment figure includes the capital required to purchase the remaining 50% interest in the project.

(2) Based on management's estimation of the earlier of stabilized occupancy (95%) or one year from the date of substantial completion.

(3) Includes executed leases and signed letters of intent, calculated on a square footage basis.

Some of the enclosed information presented is forward-looking in nature, including information concerning development timing and investment amounts. Although the information is based on Kilroy Realty Corporation's current expectations, actual results could vary from expectations stated here. Numerous factors will affect Kilroy Realty Corporation's actual results, some of which are beyond its control. These include the timing and strength of regional economic growth, the strength of commercial and industrial real estate markets, competitive market conditions, future interest rate levels and capital market conditions. You are cautioned not to place undue reliance on this information, which speaks only as of the date of this report. Kilroy Realty Corporation does not undertake responsibility to update this information for any unanticipated events which may cause actual results to differ from those expressed or implied by this information.

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Future Development Pipeline (\$ in thousands)

Project	Location	Type	Rentable Square Feet	Total Estimated Investment
LOS ANGELES COUNTY:				
Westside Media Center - Phase III	West LA, CA	Office	<u>151,000</u>	<u>\$48,130</u>
SAN DIEGO COUNTY:				
Innovation Corporate Center - Lot 2	San Diego, CA	Office	52,000	\$8,511
Innovation Corporate Center - Lot 4	San Diego, CA	Office	75,000	10,944
Innovation Corporate Center - Lot 8	San Diego, CA	Office	48,000	7,578
Innovation Corporate Center - Lot 9	San Diego, CA	Office	65,500	9,797
Innovation Corporate Center - Lot 10	San Diego, CA	Office	36,500	5,915
Innovation Corporate Center - Lot 12	San Diego, CA	Office	69,700	10,837
Pacific Corporate Center - Lots 3, 4 & 6	San Diego, CA	Office	218,250	36,947
Pacific Corporate Center - Lot 8	San Diego, CA	Office	116,379	20,715
Pacific Corporate Center - Lots 25 & 27	San Diego, CA	Office	63,620	10,361
Peregrine Systems Corporate Center - Bldg. 4 ⁽¹⁾	San Diego, CA	Office	118,061	27,245
Sorrento Gateway - Lot 1	San Diego, CA	Office	54,878	9,910
Sorrento Gateway - Lot 2 ⁽¹⁾	San Diego, CA	Office	125,000	22,319
Sorrento Gateway - Lot 3 ⁽¹⁾	San Diego, CA	Office	56,000	10,203
Sorrento Gateway - Lot 7 ⁽¹⁾	San Diego, CA	Office	57,000	10,460
Torrey Santa Fe - Phase 1	San Diego, CA	Office	150,000	28,849
Torrey Santa Fe - Phase 2	San Diego, CA	Office	<u>150,000</u>	<u>29,553</u>
			<u>1,455,888</u>	<u>\$260,144</u>
TOTAL FUTURE DEVELOPMENT PIPELINE			<u>1,606,888</u>	<u>\$308,274</u>

(1) Project is being developed by a Development LLC in which the Company holds a 50% interest. The estimated investment figure includes the capital required to purchase the remaining 50% interest in the project.

Some of the enclosed information presented is forward-looking in nature, including information concerning development timing and investment amounts. Although the information is based on Kilroy Realty Corporation's current expectations, actual results could vary from expectations stated here. Numerous factors will affect Kilroy Realty Corporation's actual results, some of which are beyond its control. These include the timing and strength of regional economic growth, the strength of commercial and industrial real estate markets, competitive market conditions, future interest rate levels and capital market conditions. You are cautioned not to place undue reliance on this information, which speaks only as of the date of this report. Kilroy Realty Corporation does not undertake responsibility to update this information for any unanticipated events which may cause actual results to differ from those expressed or implied by this information.

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Capital Structure At March 31, 2000 (\$ in thousands)

	Shares/Units at March 31, 2000	Aggregate Principal Amount or \$ Value Equivalent	% of Total Market Capitalization
DEBT:			
Unsecured Line of Credit		\$292,500	20.7%
Mortgage Debt		<u>332,842</u>	<u>23.6%</u>
Total Debt		<u>\$625,342</u>	<u>44.3%</u>
EQUITY:			
8.075% Series A Cumulative Redeemable Preferred units ⁽¹⁾	1,500,000	\$75,000	5.3%
9.375% Series C Cumulative Redeemable Preferred units ⁽¹⁾	700,000	35,000	2.5%
9.250% Series D Cumulative Redeemable Preferred units ⁽¹⁾	900,000	45,000	3.2%
Common Units outstanding ⁽²⁾	3,804,503	80,132	5.7%
Common Shares outstanding ⁽²⁾	26,223,309	<u>552,328</u>	<u>39.0%</u>
Total Equity		<u>\$787,460</u>	<u>55.7%</u>
TOTAL MARKET CAPITALIZATION		<u>\$1,412,802</u>	<u>100.0%</u>

(1) Value based on \$50.00 per share liquidation preference.

(2) Valued based on closing share price of \$21 1/16 at March 31, 2000.

Kilroy Realty Corporation
First Quarter 2000 Supplemental Financial Report

Share Repurchase Program Summary
(\$ in thousands, except per share information)

	Number of Shares	Average Price per Share	Total Aggregate Repurchases
4th QUARTER 1999:	<u>265,000</u>	<u>\$20.19</u>	<u>\$5,350</u>
1st QUARTER 2000:	<u>1,999,300</u>	<u>\$20.58</u>	<u>\$41,151</u>
TOTAL REPURCHASES -TO-DATE	<u>2,264,300</u>	<u>\$20.54</u>	<u>\$46,501</u>

Kilroy Realty Corporation

First Quarter 2000 Supplemental Financial Report

Debt Analysis At March 31, 2000 (\$ in thousands)

MORTGAGE DEBT PRINCIPAL REPAYMENT SCHEDULE						
2000	2001	2002	2003	2004	Thereafter	Total
\$3,658	\$5,225	\$5,647	\$104,603	\$6,596	\$207,113	\$332,842

DEBT COMPOSITION			
	<u>% of</u>	<u>Weighted Average</u>	
	<u>Total Debt</u>	<u>Interest Rate</u>	<u>Maturity</u>
Secured vs. Unsecured Debt:			
Secured Debt	53.2%	7.9%	7.3
Unsecured Debt	46.8%	8.1%	2.7
Floating vs. Fixed Rate Debt:			
Fixed Rate Debt ^{(1) (4)}	62.8%	8.1%	6.4
Floating Rate Debt ^{(2) (3)}	37.2%	7.8%	3.0
Total Debt		8.0%	5.1

UNSECURED LINE OF CREDIT		
<u>Total Line</u>	<u>Outstanding Balance</u>	<u>Expiration Date</u>
\$400,000	\$292,500	November 2002

- (1) The Company currently has an interest-rate swap agreement to fix LIBOR on \$150 million of its floating rate debt at 6.95% which expires in February 2002.
- (2) The Company currently has an interest-rate cap agreement to cap LIBOR on \$150 million of its floating rate debt at 6.5% which expires in July 2000.
- (3) The Company has entered into an 18-month interest-rate cap agreement to cap LIBOR on \$150 million of its floating rate debt at 6.5% starting in July 2000 and expiring in January 2002.
- (4) The percentage of fixed rate debt to total debt does not take into consideration the portion of floating rate debt capped by the Company's \$150 million interest-rate cap agreement since LIBOR rates were below the 6.5% cap rate at March 31, 2000. Including the effects of the interest-rate cap agreement, the Company had fixed or capped approximately 86.8% of its total outstanding debt at March 31, 2000.