

Kilroy Realty Corporation

Projected Funds From Operations Guidance for the Year Ended December 31, 2009 and Related Reconciliation to Net Income Available for Common Stockholders

(\$ in thousands, except per share amounts)

| | <u>Projected 2009 Guidance</u> | |
|---|--------------------------------|--------------------------|
| | <u>Low End</u> | <u>High End</u> |
| Net Income Available for Common Stockholders | \$ 23,785 | \$ 30,602 |
| Adjustments: | | |
| Noncontrolling interests in earnings of Operating Partnership | 967 | 1,245 |
| Depreciation and amortization | 81,389 | 82,554 |
| Net (gain) loss on dispositions of discontinued operations | - | - |
| Funds From Operations | <u>\$ 106,141</u> | <u>\$ 114,401</u> |
| Weighted average common shares/units outstanding - diluted | 41,300 | 41,300 |
| FFO per common share/unit - diluted | <u>\$ 2.57</u> | <u>\$ 2.77</u> |