

**Kilroy Realty Corporation**  
**Second Quarter 2003 Supplemental Financial Information**

**Projected Funds From Operations Guidance for the Year Ended December 31, 2003**  
**and Related Reconciliation to Net Income**  
*(\$ in thousands, except per share amounts)*

	<u>Projected 2003 Guidance</u>	
	<u>Low End</u>	<u>High End</u>
<b>Net Income</b>	<b>\$ 44,636</b>	<b>\$ 46,100</b>
Adjustments:		
Minority interests in earnings of Operating Partnership	6,873	7,099
Depreciation and amortization	56,148	57,658
Net (gains) losses on disposition of operating properties	(3,690)	(3,690)
<b>Funds From Operations</b>	<b><u>\$ 103,968</u></b>	<b><u>\$ 107,167</u></b>
<b>Weighted average common shares/units outstanding - diluted</b>	<b>31,990</b>	<b>31,990</b>
<b>FFO per common share/unit - diluted</b>	<b><u>\$ 3.25</u></b>	<b><u>\$ 3.35</u></b>