STIFEL

Kilroy Realty Corporation KRC – NYSE Buy

Office REITs

Company Update

Gold Rush in San Francisco; Target Price \$80/sh; Maintain Buy

- We have chosen to run the numbers by hand and have come up with the following conclusion: selling a 44% interest in two assets for \$508mm (\$1.155B at 100%), a value over 2.7x the cost to acquire the assets, creates value and increases NAV.
- Kilroy acquired the two assets, 303 Second and 100 First Street, in 2010 for \$354/SF. The just announced joint venture values these two assets at \$963/SF and a quoted 'low 4%' cash cap rate.
- We think the transaction underscores the willingness of offshore global capital to pay very full prices for assets in barrier-to-entry markets and make major investments in Gateway City office REITs. We expect additional similar investments to occur selectively throughout our coverage.
- After adjusting our estimates for this transaction, we are increasing our target price to \$80/sh. The new target price equates to 2017E FFO/FAD/sh multiples of 22.5x/35.4x, a 4.8% implied NOI cap rate and a TEV of \$637/SF, versus our estimate of adjusted replacement cost of \$538/SF.
- We estimate that Kilroy Realty currently trades at very reasonable real estate valuation metrics: 1) 5.3%/4.5%/3.8% for Implied NOI, Cash Flow, and CF less G&A Cap Rates. TEV/SF of \$584/SF is also reasonable relative to our estimates of \$620/\$538/SF for gross/adjusted replacement cost. Finally, KRC trades at a 16%/6% discount to our 4.5%-5.0% NAV range.
- This accentuates the pivotal question with REIT valuations -- does a discount to NAV and other attractive real estate valuations offset historically high FFO/FAD multiples?
- Please find our 2Q16 Office market fundamentals update here: Houston Free Fall. San Francisco and Boston Solid, Los Angeles Hype Not in Numbers. 2Q16 Office Fundamentals Update. While concerned about the Silicon Valley, the rest of the KRC markets are relatively solid.
- While clearly Net Asset Value accretive, the transaction will result in cash staying on the balance sheet until spent on development, and near term earnings dilution.
- We are adjusting 2016 FFO/FAD/sh estimates to \$3.38/\$2.19 from \$3.40/\$2.21 and our 2017 FFO/FAD/sh to \$3.55/\$2.26 from \$3.57/\$2.27. We estimate the normalized 2015-2017 FFO/FAD growth to be 5.0%/7.7%.

<u>Changes</u>	Previous	Current
Rating	_	Buy
Target Price	\$75.00	\$80.00
FY16E FFO	\$3.40	\$3.38
FY17E FFO	\$3.57	\$3.55
FY16E FAD	_	2.19
FY17E FAD	_	2.26

Price (08/31/16):	\$72.63
52-Week Range:	\$74 – \$47
Market Cap.(mm):	6,891.6
Shr.O/S-Diluted (mm):	94.9
Enterprise Val. (mm):	\$9,888.4
Avg Daily Vol (3 Mo):	562,758
LT Debt/Total Cap.:	27.9%
Dividend(\$ / %)	\$1.50 / 2.1%
S&P Index	2,170.94

FFO	2015A	2016E	2017E
Q1	\$1.01	\$0.82A	\$0.86
Q2	0.82	0.86A	0.89
Q3	0.77	0.86	0.90
Q4	0.80	0.84	0.90
FY Dec	\$3.39A	\$3.38	\$3.55
P/FFO	21.4x	21.5x	20.5x

FAD	2015A	2016E	2017E
Q1	0.64	0.51A	0.54
Q2	0.45	0.61A	0.57
Q3	0.46	0.54	0.57
Q4	0.40	0.53	0.58
FY Dec	1.94A	2.19	2.26
P/FAD	37.4x	33.2x	32.1x

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All relevant disclosures and certifications appear on pages 4 - 6 of this report.

Target Price Methodology/Risks

- Our target price of \$80/sh, equates to 22.5x/35.4x on our updated 2017 FFO/FAD/sh estimates of \$3.55/\$2.26 and an implied NOI cap rate of 4.8%.
- Risks to achieving our target price include development and lease-up risk, tech bubble fears, interest rate and general economic risk.

Company Description

Kilroy Realty Corporation (KRC) owns, operates, and develops Class A suburban office and industrial real estate, primarily in Southern California. Founded in 1947, KRC has operated since 1997 as a publicly traded, self-administered and self-managed real estate investment trust. At June 30, 2016, Kilroy owned 13.7mm square feet of commercial office space. Key markets are San Diego, Los Angeles, Orange County, San Francisco, and the greater Seattle area.

Kilroy Realty Corporation Quarterly Earnings Model (in thousands, except per share data)

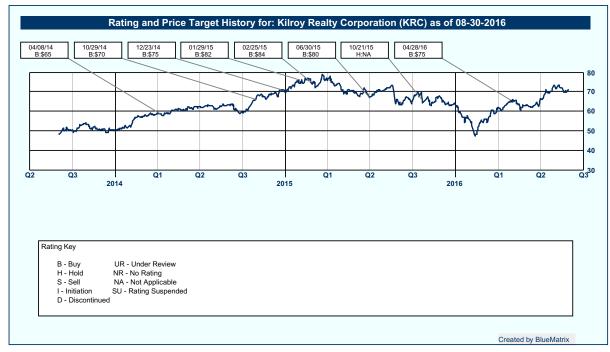
8/31/2016

(in thousands, except per share data)																				
Assumptions:	2015 A		1Q16 A		Q16 A	3Q16 E		4Q16 E		2016 E		IQ17 E		Q17 E		17 E		17 E		2017 E
Acquisitions during period (1)	\$ 78,00		-	\$		\$ -	\$	-	\$	55,400	\$		\$		\$	-	\$	-	\$	-
Rate of return on new acquisitions (annually)	5.0		7.0%	•	7.0%	7.09		7.0%		7.0%	_	7.0%	_	7.0%	_	7.0%	_	7.0%	١.	7.0%
Dispositions during period (1)	\$ (309,20			\$		\$ (191,400		(316,800)	\$	(770,500)	\$		\$		\$		\$	-	\$	-
Rate of return on dispositions (annually)	5.2		5.5%		5.5%	4.69	6	4.6%		5.1% 479.433		5.0% 273.333		5.0%		5.0%		5.0%		5.0% 326,667
Dev put in service during the quarter (1)	265,02		381,100			-		98,333		,				53,333		-		-		
Rate of return on development (annually)	7.9		8.0%		7.0%	6.0%		6.5%		6.9%		7.5%		7.5%		7.0%		7.0%		7.3%
Rev growth - existing properties (quarterly)	4.7		0.2%		7.4%	0.7%		0.7%		9.1%		0.9%		0.9%		0.9%		0.9%		3.4%
Capex as % of NOI	0.0		0.0%		0.0%	2.0%		1.9%		1.0%		2.0%		2.0%		1.9%		1.9%		2.0%
NOI growth on acquired prop (quarterly)	1.0		0.3%		0.3%	0.3%		0.3%		1.0%		0.3%		0.3%		0.3%		0.3%		1.0%
Eff. interest rate on avg. debt outst. (annually)	2.4 \$ 389,70		2.1% 31,064	•	2.4%	\$ -	\$	2.4%	_	2.3%		2.5%	_	2.6%	•	2.7%	•	2.8%	_	2.7%
Additional Equity/Preferred issued (ret) during period	\$ 389,70 5,64		31,064	Þ	-	э -	Э	-	\$	31,064	\$	-	\$	-	\$	-	\$	-	\$	-
Addtl. Comm. shrs issued (ret) during per. Stock Price/FFO Ratio	5,64 18		21.3		20.8	20.8		20.8		868 20.8		20.8		20.8		20.8		20.8		20.8
Ending common stock price	\$61.		\$69.88		\$72.51	\$70.6		\$70.40		\$70.40		\$71.70		\$72.90		\$73.60		\$74.00		\$74.00
	Ψ01.	33	\$05.00		ψ12.J1	\$70.0	0	\$70.40		\$70.40		φ/1./0		\$72.90		\$73.00		\$74.00	 	\$74.00
NOI from existing properties: (2)	_								١.						_				١.	
Existing property rental income	\$ 525,3		133,755	\$	143,653	\$ 144,723		145,801	\$	567,932	\$		\$					50,821	\$	595,701
Tenant reimbursements	53,7		11,404 287		16,138 342	14,805		14,915 347		57,263 1,321		15,042 350		15,170 353		15,299 356		15,429		60,940
Other prop related rev. Less operating exps., r.e. taxes & other costs	(158,69		(37,826)		(43,834)	(44,864		(45,198)		(171,722)		(45,582)		(45,970)	,	(46,361)		359 (46,755)		1,418 (184,667)
									_										_	
NOI from existing properties (2)	422,5	8	107,620		116,299	115,009		115,865		454,793		116,850		117,843	1	18,845	1	19,855		473,392
NOI from acq./disp. property - cumulative (2)	-					(615)	(3,541)		(4,156)		(5,376)		(5,389)		(5,403)		(5,416)		(21,585)
NOI from dev put in service - cumulative (2)	400.5		407.000		440.000	444.00		799 113,123		799		4,164		7,244		7,763		7,782		26,954
Total NOI (2)	422,5	8	107,620		116,299	114,394	-	113,123		451,436	_	115,638		119,697		21,205		22,221	-	478,761
Other income and expenses:	-	1							l	-									1	-
Management, dev & leasing fee income		اء	- 07/		-	-		-		- 045		- 78		- 78		- 78		-	1	-
Interest income Equity in earnings from unconsol invstmnts	24	3	271		311	156		78		815		78		78		78		78		311
Acquisition-related expenses	(49	7)	(62)		(714)	-		-		(776)		-		-		-		-		-
General and administrative expenses	(48,20		(13,437)		(13,979)	(12,583	3	(13,009)		(53,009)		(13,298)		(13,765)	-	(13,939)		- (14,055)		(55,058)
· ·									l —		_							_	I —	
EBITDA	374,0	9	94,392		101,917	101,966		100,192		398,467		102,418		106,010	1	07,344		08,243		424,014
Reconciliation of EBITDA to (FFO):																				
Less: Interest expense	(57,68	2)	(11,829)		(14,384)	(14,756	i)	(14,645)		(55,615)		(14,924)		(15,259)	((15,741)	((16,214)		(62,138)
Less: Non-cash interest exp. (APB 14)	- (0.0)	۵)	- (000)		(000)	- (000		- (000)		(0.000)		(000)		(000)		(000)		(000)		(0.050)
Less: Non-real estate depreciation and amortization	(2,9	2)	(862)		(988)	(988	6)	(988)		(3,826)		(988)		(988)		(988)		(988)		(3,952)
Less: Min interest - net of FFO adjstmnts Less: Div on non-convertible preferred stock	(13,2	٥)	(3,313)		(3,312)	(3,312		(3,312)		(13,249)		(3,312)		(3,312)		(3,312)		(3,312)		(13,248)
Add:Real Est. dep./amort. of unconsolidated	(13,2	0)	(3,313)		(3,312)	(3,312	.)	(3,312)		(13,249)		(3,312)		(3,312)		(3,312)		(3,312)		(13,240)
Impairment charges & Bad Debt Reserves	(54	5)	_		_	_		_		_		_		_		_		_		_
	(-,										_		_		_		_		_
Aug: Gain (loss) on dept repurchases	-					-		-												
Add: Gain (loss) on debt repurchases Other nonrecurring (Discontinued Ops)	17,1	6	-		(295)	-		-		(295)		-		-		-		-		-
Other nonrecurring (Discontinued Ops) Funds from operation (FFO)	17,1 316,79		78,388		(295) 82,938	\$82,910		\$81,247		(295) 325,482	-	83,194		\$86,451		87,303		87,728		344,676
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges		6	78,388 280	_		\$82,910 144		\$81,247 144				83,194 144		\$8 6,451	- \$	- 8 7,303 144	\$	- 8 7,728 144	_	344,676 576
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14)	316,7 9	6			82,938				-	325,482 916 -					\$		\$			576
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash initerest exp. (APB 14) Add: Deferred compensation/revenue	316,79	6			82,938					325,482					\$		\$			
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges	316,79 31 - -	6			82,938					325,482 916 -					\$		\$			576 - -
Other nonrecurring (Discontinued Ops) Flunds from operation (FPO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation	316,7 9	6			82,938					325,482 916 -	_				\$		\$			576
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases	316,79 31 - - - -	6	280		82,938 348 - - - -	144		144 - - - -		325,482 916 - - - -		144 - - - -		144 - - - -		144 - - - -		144		576 - - - -
Other nonrecurring (Discontinued Ops) Funds from operation (FPC) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141	316,79 3 - - - - - (65,9)	7)	280		82,938 348 - - - - - (13,938)	(13,710		(13,557)		325,482 916 - - - - - (55,147)		144		144	(144		144		576 - - - - (57,378)
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TULC	316,79 31 - - - -	7)	280		82,938 348 - - - -	(13,710 (14,731))	144 - - - (13,557) (14,100)		325,482 916 - - - - (55,147) (55,139)		144 - - - (13,859) (14,889)		144 - - - (14,345) (15,043)	(144 - - - (14,526) (15,043)		144 - (14,648) (15,043)		576 - - - - (57,378) (60,019)
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs	316,79 3 - - - - - (65,9)	7)	280		82,938 348 - - - - - (13,938)	(13,710))	(13,557)		325,482 916 - - - - - (55,147)		144		144	(144		144		576 - - - - - (57,378)
Other nonrecurring (Discontinued Ops) Flunds from operation (FFO) Add: Noncash linancing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Stright-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other	316,79 3 - - - - (65,92 (69,99	7) 4)	280 - - (13,942) (15,540)		82,938 348 - - - (13,938) (10,768)	(13,710 (14,731 (2,296))	(13,557) (14,100) (2,197)		325,482 916 - - - (55,147) (55,139) (4,493)		(13,859) (14,889) (2,320)		144 - - - (14,345) (15,043) (2,344)	(144 - - - (14,526) (15,043) (2,344)		144 		576 - - - (57,378) (60,019) (9,354)
Other nonrecurring (Discontinued Ops) Fluds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TULC Less: base building capital costs Less: Other Funds available for distribution (FAD)	316,79 31 - - - - (65,99 (69,99 - - - 181,28	7) 4)	280 		82,938 348 - - - (13,938) (10,768) - - - - - -	(13,710 (14,731 (2,296))))))	144 - - (13,557) (14,100) (2,197) - 51,536		325,482 916 - - - (55,147) (55,139) (4,493) - 211,619		(13,859) (14,889) (2,320)		144 - - (14,345) (15,043) (2,344) - 54,862	(144 - - - (14,526) 15,043) (2,344) - - 55,533	(144 		576 - - - - (57,378) (60,019) (9,354) - 218,502
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted	316,79 33 	7) 4) 1	(13,942) (15,540) 	\$	82,938 348 - - - (13,938) (10,768) - - - 58,580 0.86	(13,710 (14,731 (2,296 - 52,318 \$ 0.86))	144 - (13,557) (14,100) (2,197) - 51,536		325,482 916 - - - (55,147) (55,139) (4,493) - 211,619 3.38	\$	(13,859) (14,889) (2,320) - 52,269	\$	144 - - (14,345) (15,043) (2,344) - 54,862 0.89	\$	144 	\$	144 	\$	576 - - (57,378) (60,019) (9,354) - 218,502 3.55
Other nonrecurring (Discontinued Ops) Flunds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully dilluted Normalized FFO/sh - fully dilluted	316,79 33 	7) 4) 1 9 \$	280 - - (13,942) (15,540) - - 49,186 0.82 0.82	\$ \$	82,938 348 - - - (13,938) (10,768) - - - 58,580 0.86 0.87	(13,710 (14,731 (2,296 52,318 \$ 0.86 \$ 0.86)))))) ;) ;; \$	(13,557) (14,100) (2,197) 51,536 0.84 0.84	\$	325,482 916 - - (55,147) (55,139) (4,493) - 211,619 3.38 3.39	\$	144 	\$	144 	\$ \$	144 - - - (14,526) (15,043) (2,344) - 55,533 0.90 0.90	\$	144 - - (14,648) (15,043) (2,344) - 55,837 0.90 0.90	\$ \$	576 - - (57,378) (60,019) (9,354) - 218,502 3.55 3.55
Other nonrecuring (Discontinued Ops) Fluds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: Card generation TILC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted FAD per common share	316,79 3	7) 4) 1 9 \$ \$ 2 \$	(13,942) (15,540) 	\$	82,938 348 (13,938) (10,768) 58,580 0.86 0.87 0.61	(13,710 (14,731 (2,296)))))) ;; \$; \$	(13,557) (14,100) (2,197) 		325,482 916 - - (55,147) (55,139) (4,493) - 211,619 3.38 3.39 2.19	\$ \$ \$	144 	-	144 	\$	144 - - - (14,526) (15,043) (2,344) - 55,533 0.90 0.90 0.57	\$	144 - - - - (14,648) (15,043) (2,344) - - 55,837 0.90 0.58	\$ \$ \$	576 - - (57,378) (60,019) (9,354) - 218,502 3.55 3.55 2.26
Other nonrecurring (Discontinued Ops) Flunds from operation (FFO) Add: Non-cash inancing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Cither Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted FAD per common share Dividends per share	316,79 33 	7) 4) 1 9 \$ \$ 2 \$	280 - - (13,942) (15,540) - - 49,186 0.82 0.82	\$ \$	82,938 348 - - - (13,938) (10,768) - - - 58,580 0.86 0.87	(13,710 (14,731 (2,296 52,318 \$ 0.86 \$ 0.86)))))) ;; \$; \$	(13,557) (14,100) (2,197) 51,536 0.84 0.84	\$	325,482 916 - - (55,147) (55,139) (4,493) - 211,619 3.38 3.39	-	144 	\$	144 	\$ \$	144 - - - (14,526) (15,043) (2,344) - 55,533 0.90 0.90	\$	144 - - (14,648) (15,043) (2,344) - 55,837 0.90 0.90	-	576 - - (57,378) (60,019) (9,354) - 218,502 3.55 3.55
Other nonrecuring (Discontinued Ops) Fluds from operation (FPO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: Date peneration TULC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted FAD per common share Dividends per share Weighted average common shares and OP units:	316,73 33 	7) 4) 1 9 \$ 2 2 \$ 44 \$ 5	(13,942) (15,540) 	\$ \$	82,938 348 (13,938) (10,768) - - - 58,580 0.86 0.87 0.38	(13,710 (14,731 (2,296 52,318 \$ 0.86 \$ 0.54 \$ 0.54	()) ()) ()) () () () () () () () () () ((13,557) (14,100) (2,197) 51,536 0.84 0.84 0.53 2.23	\$	325,482 916 - - - (55,147) (55,139) (4,493) - 211,619 3.38 3.39 2.19 3.33	-	(13,859) (14,889) (2,320) 52,269 0.86 0.86 0.54 0.38	\$	144 - (14,345) (15,043) (2,344) - 54,862 0.89 0.57 0.40	\$ \$ \$ \$	144 - (14,526) 15,043) (2,344) - 55,533 0.90 0.90 0.57 0.40	\$ \$ \$ \$	144 	-	(57,378) (60,019) (9,354) 218,502 3.55 2.26 1.58
Other nonrecurring (Discontinued Ops) Funds from operation (FFC) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Striaght-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted FAD per common share Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic	316,7% 316,7% 316,7% 316,7% 316,7% 316,7% 316,7% 316,7% 316,7% 317 317 317 317 317 317 317 317 317 317	7) 4) 1 2 \$ \$ 4 \$ 0 \$	(13,942) (15,540) - - - - - - - - - - - - - - - - - - -	\$ \$	82,938 348 	(13,716 (14,731 (2,296 52,318 \$ 0.86 \$ 0.36 \$ 0.36		144 	\$	325,482 916 	-	144 	\$	144 - (14,345) (15,043) (2,344) 54,862 0.89 0.57 0.40 95,966	\$ \$ \$ \$	144 	\$ \$ \$ \$	144 - - (14,648) 15,043) (2,344) - - 55,837 0.90 0.58 0.40 95,966	-	576 (57,378) (60,019) (9,354)
Other nonrecurring (Discontinued Ops) Flunds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully dilluted Normalized FFO/sh -fully dilluted FAD per common share Dwidends per share Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Com. warrants, optns, prf stock, debentures	316,73 33 	7) 4) 1 2 \$ \$ 4 \$ 0 \$	(13,942) (15,540) 	\$ \$	82,938 348 (13,938) (10,768) - - - 58,580 0.86 0.87 0.38	(13,710 (14,731 (2,296 52,318 \$ 0.86 \$ 0.54 \$ 0.54		(13,557) (14,100) (2,197) 51,536 0.84 0.84 0.53 2.23	\$	325,482 916 - - - (55,147) (55,139) (4,493) - 211,619 3.38 3.39 2.19 3.33	-	(13,859) (14,889) (2,320) 52,269 0.86 0.86 0.54 0.38	\$	144 - (14,345) (15,043) (2,344) - 54,862 0.89 0.57 0.40	\$ \$ \$ \$	144 - (14,526) 15,043) (2,344) - 55,533 0.90 0.90 0.57 0.40	\$ \$ \$ \$	144 	-	(57,378) (60,019) (9,354) 218,502 3.55 2.26 1.58
Other nonrecuring (Discontinued Ops) Fluds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: Zhd generation TULC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted FAD per common share Dividends per share Wid; Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, prf stock, debentures Convertible Notes	316,7; 3: 3:	7) 4) 1 1 9 \$ 2 \$ 4 \$ 5 6 6 5 5	(13,942) (15,540) 	\$ \$	82,938 348 	(13,710 (14,731) (2,296) - 52,318 \$ 0.86 \$ 0.56 \$ 0.36)))))))));););;;;;;;;;;;;;;;;;;;;;;;;;	144 	\$	325,482 916 - - (55,147) (55,139) (4,493) - 211,619 3.38 3.39 2.19 3.33 95,804 636 -	-	144 	\$	144 - (14,345) (15,043) (2,344) - 54,862 0.89 0.89 0.57 0.40 95,966 862	(((((((((((((((((((144 	\$ \$ \$ \$ \$	144 	-	576 (57,378) (60,019) (9,354) 218,502 3.55 3.55 2.26 1.58 95,966 892
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Striaght-line rents/FAS141 Less: Dase building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, pri stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted	316,7% 316,7% 316,7% 316,7% 316,7% 316,7% 316,7% 316,7% 316,7% 317 317 317 317 317 317 317 317 317 317	7) 4) 1 1 9 \$ 2 \$ 4 \$ 5 6 6 5 5	(13,942) (15,540) - - - - - - - - - - - - - - - - - - -	\$ \$	82,938 348 	(13,716 (14,731 (2,296 52,318 \$ 0.86 \$ 0.36 \$ 0.36)))))))));););;;;;;;;;;;;;;;;;;;;;;;;;	144 - (13,557) (14,100) (2,197) - 51,536 0.84 0.84 0.53 2.23	\$	325,482 916 	-	144 	\$	144 - (14,345) (15,043) (2,344) 54,862 0.89 0.57 0.40 95,966	(((((((((((((((((((144 	\$ \$ \$ \$ \$	144 - - (14,648) 15,043) (2,344) - - 55,837 0.90 0.58 0.40 95,966	-	576 (57,378) (60,019) (9,354) 218,502 3.55 3.55 2.26 1.58
Other nonrecuring (Discontinued Ops) Funds from operation (FPO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully dilluted Normalized FFO/Sh - fully dilluted Normalized FFO/Sh - fully dilluted FAD per common share Dividends per share Wid. Avg Shrs and Units Outstanding - Basic Corv. warrants, optns, pf stock, debentures Convertible Notes Wtd. Avg Shrs & Units Outstanding - Diluted Balance Sheet Information:	316,7; 3: 3:	7) 4) 1 1 9 \$ \$ \$ \$ 40 \$ \$ 6 5	(13,942) (15,540) 	\$ \$ \$	82,938 348 (13,938) (10,768) 58,580 0.86 0.87 0.61 0.38 95,966 615 - 96,581	(13,716 (14,731 (2,296 52,318 \$ 0.86 \$ 0.88 \$ 0.54 \$ 0.54 \$ 0.59 677)))))))))); ;;;;;;;;;;;;;;;;;;;;;;;;;;	144 	\$ \$ \$	325,482 916 - - (55,147) (55,139) (4,493) 211,619 3.38 3.39 2.19 3.33 95,804 636 - 96,440	\$	144 	\$ \$ \$	144 	\$ \$ \$ \$ \$	144 	\$ \$ \$ \$ \$	144 	\$	576
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Noncash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Striaght-line rents/FAS141 Less: Dase building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, pri stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding	\$16,7; 3.3 	666677) 44) - 19 \$ \$ \$ 2 \$ \$ \$ 4 \$ \$ \$ 5 \$ - 0 \$ 2	280 	\$ \$ \$ \$	82,938 348 (13,938) (10,768) 58,580 0.86 0.87 0.61 0.38 95,966 615 96,581 384,909	(13,710 (14,731 (2,299) 52,318 \$ 0.88 \$ 0.54 \$ 0.54 \$ 0.54 \$ 0.54 \$ 0.54		144 	\$ \$ \$	325,482 916 - - (55,147) (55,139) (4,493) - 211,619 3.38 3.39 2.19 3.33 95,804 636 - 96,440	\$	(13,859) (14,889) (2,320) 	\$ \$ \$	144 	\$\$\$\$\$	144 	\$ \$ \$ \$ \$	144 	\$	576 (57,378) (60,019) (9,354) 218,502 3.555 3.55 2.26 1.58 95,966 892
Other nonrecurring (Discontinued Ops) Funds from operation (FPO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully dilluted Normalized FFO/sh -fully dilluted FAD per common share Dividends per share Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Corn. warhars, optns, pri stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding	316,7; 3: 3:	666677) 44) - 19 \$ \$ \$ \$ \$ \$ 6655 - 0 \$ 266	280 	\$ \$ \$ \$	82,938 348 (13,938) (10,768) 	(13,710 (14,731 (2,296 \$ 0.86 \$ 0.86 \$ 0.55 \$ 0.36 2,446,664 2,446,65))))))))); ;;;;;;;;;;;;;;;;;;;;;;;;;;;	144 	\$ \$ \$	325,482 916 	\$	(13,859) (14,889) (2,320) 	\$ \$ \$	144 	2,3,2,3	144 	2,3,2,5	144 	\$	576
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Noncash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Striaght-line rents/FAS141 Less: Dase building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, pri stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding	316,7; 3:	7) 4) 11 9 \$ \$ 2 4 \$ \$ 0 \$ 66 5 5 0	280 (13,942) (15,540) 	\$ \$ \$ \$	82,938 348 (13,938) (10,768) 58,580 0.86 0.87 0.61 0.38 95,966 615 96,581 384,909	(13,710 (14,731 (2,298) \$ 0.86 \$ 0.58 \$ 0.58 \$ 0.58 2,446,660 2,435,820 (21,688)	(i) (i) (ii) (iii)	144 	\$ \$ \$	325,482 916 	\$	(13,859) (14,889) (2,320) 52,269 0.86 0.54 0.38 95,966 802 96,768 2,387,850 2,387,850 (65,497)	\$ \$ \$	144 (14,345) (15,043) (2,344) 54,862 0.89 0.57 0.40 95,966 862 96,828 2,347,409 339,879 (15,222)	2,3,2,3,3,1	144 	\$ \$ \$ \$ \$	144 	\$	576
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted FAD per common share Widdhed average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, pri stock, debentures Convertible Notes Wtd. Avg. Shrs a Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Ending debt outstanding Additional debt issued (retired) during period FAD-Dividend	316,7: 3:3 3:3 (65,9:4) (65,9:9) 181,2: \$ 3.3: \$ 1.1: \$ 1.2: 92,7: 5: 93,3: 2,449,2: 2,239,6:	66677) 4) -19 \$ \$ \$ \$ 65 5 -0 2660) 77	280 	\$ \$ \$ \$	82,938 348 (13,938) (10,768) 	(13,710 (14,731 (2,296 \$ 0.86 \$ 0.86 \$ 0.54 \$ 0.55 \$ 0.55 (2,446,660 2,445,820 (21,680 (21,680))))))))); ; ; ; ; ;	144 	\$ \$ \$	325,482 916 	\$	(13,859) (14,889) (2,320) 	\$ \$ \$	144 	2,3,3 (144 	2,3,3,0	144 	\$	576 - (57,378) (60,019) (9,354) - 218,502 3.55 3.55 2.26 6.1.58 95,966 892 - 95,120 2,345,933 2,308,512
Other nonrecurring (Discontinued Ops) Funds from operation (FFC) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: Dase building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted FAD per common share Dividends per share Weighted average common shares and OP units: Wtd. Avg. Shrs and Units Outstanding - Basic Conv. warrants, optns, pri stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Additional debt issued (retired) during period	316,7: 3.3 (65,9: (65,9: 181,2: \$ 3.3 \$ 1.1 \$ 1.1 92,7: 5.1 93,3: 2,449,2: 2,239,6: (392,6: 49,1:	7) 4) 1 1 9 \$ \$ \$ \$ \$ 6 5 5 0 0 0 7 7 0	280 (13,942) (15,540) 	\$ \$ \$ \$	82,938 348 (13,938) (10,768) - 58,580 0.86 0.87 0.61 0.38 95,966 615 - 96,581 384,909 457,500 40,643 21,680 200,000 92,255	(13,710 (14,731 (2,296 \$ 0.86 \$ 0.86 \$ 0.54 \$ 0.55 \$ 0.33 \$ 0.59 6677 96,642 2,446,666 2,435,820 (21,686 15,222 200,000 92,255		1144 (113,557) (14,100) (2,197) 51,536 0.84 0.53 2.23 95,966 740 96,706 2,428,209 2,420,598 (15,222) 13,838 200,000 92,255	\$ \$ \$	325,482 916 - - - - - - - - - - - - -	\$	(13,859) (14,889) (2,320) 52,269 0.86 0.54 0.38 95,966 802 96,768 2,387,850 2,355,101 (65,497) 15,222 200,000 92,255	\$ \$ \$	144 	2,3,2,3	144 	2,3,2,3	144,648) (14,648) (15,043) (2,344) 	\$	576
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation Ti/LC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully dilluted Normalized FFO/sh - fully dilluted FAD per common share Dividends per share Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Corn. warrants, optns, pri stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Additional debt issued (retired) during period FAD-Dividend Ending preferred stock outstanding Ending debt outstanding Ending preferred stock outstanding Ending common & OP units, fully diluted	316,7: 3.7 (65,9:9) (65,9:9) 181,2: \$ 3.3. \$ 1.1. 92,7: 5. 93,3. 2,449,2: 2,239,6: 49,1: 200,0:0,92,2: 94,0: 92,2:	666 7) 4) - 119 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	280 	2, 2,	82,938 348 	(13,710 (14,731 (2,296 52,318 \$ 0.86 \$ 0.54 \$ 0.55 \$ 0.36 2,446,645 2,445,827 (21,886 15,222 200,000 92,255))))))));;; ;; \$ \$; \$	144 (13,557) (14,100) (2,197) 51,536 0.84 0.53 2.23 95,966 740 2,428,209 2,420,598 (15,222) 13,838 200,000 92,255 95,015	\$ \$ \$	325,482 916 (55,147) (55,139) (4,493) 211,619 3.38 3.39 2.19 3.33 95,804 63- 96,440 2,383,946 2,420,598 42,351 66,497 200,000 92,255 95,012	\$ \$	(13,859) (14,889) (2,320) 52,269 0.86 0.54 0.38 95,966 802 -96,768 2,387,850 (65,497) 15,222 200,000 92,255 95,072	2 2 2	144 (14,345) (15,043) (2,344) 54,862 0.89 0.57 0.40 95,966 862 96,828 93,347,490 339,879 (15,222) 15,683 200,000 92,255 95,132	2,3,3 ()	144, 526) 15,043) (2,344) 55,533 0,90 0,90 0,57 0,40 95,966 922 96,888 32,037 24,196 15,683) 15,683 00,000 92,255 96,888	2,3,3,6	144	\$	576 (57,378) (60,019) (9,354) 218,502 3.55 2.26 1.58 95,966 892 95,120 2,345,933 (112,086) 63,195 200,000 92,255 95,525
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Noncash interest exp. (APB 14) Add: Delerred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Striaght-line rents/FAS141 Less: Dase building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted SWid-May Shrs and Units Outstanding - Basic Conv. warrants, optns, pri stock, debentures Convertible Notes Wid-May Shrs at Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Ending debt outstanding Ending common & OP units - for dividend Ending preferred stock outstanding Ending Common & OP units - for dividend Ending Common & OP units, fully diluted Equity Market Capitalization - including perferences	316,7; 3:	666 7) 4) 11 99 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	280 (13,942) (15,540) 	2,4 2,7,	82,938 348 (13,938) (10,768) 58,580 0.86 0.87 0.61 0.38 95,966 615 - 96,581 384,909 457,500 40,643 21,680 200,000 92,255 94,886 080,184	(13,710 (14,731 (2,298) \$ 0.88 \$ 0.88 \$ 0.54 \$ 0.38 \$ 0.54 \$ 0.38 \$ 15,966 677 96,643 2,446,666 2,435,820 (21,688 15,222 200,000 92,255 6,903,399 4,944 6,903,399)))))))) ;; ;; ;; ;;	1144 (13,557) (14,100) (2,197) 51,536 0.84 0.83 0.53 223 95,966 740 2,420,598 (15,222) 13,838 200,000 92,255 6,888,821 6,888,821	\$ \$ \$	325,482 916 	\$ \$	(13,859) (14,889) (2,320) 0.86 0.86 0.54 0.38 95,966 802 2,355,101 (65,497) (65,497) (65,497) (70,000) 92,255 95,072 (7016,676	\$ \$ \$ \$ 2 2	144 (14,345) (15,043) (2,344) 54,862 0.89 0.57 0.40 95,966 862 96,828 .347,490 (15,222) 15,683 200,000 92,255 95,132 (135,135)	2,3,3 (2	144, 526) 15,043) (2,344) 55,533 0.90 0.90 0.57 0.40 95,966 922 	2,3,3,1 2,7,2	1444	\$	576
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted FAD per common share Dividends per share Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, prf stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending common & OP units - for dividend Equity Market Capitalization - excluding perf Equity Market Capitalization - excluding perf	316,7: 3.7 (65,9: (69,9: 181,2: \$ 3.3; \$ 1.1: \$ 1.2 2,249,2: 2,239,6(392,6: 49,1: 200,0(92,2: 94,0: 6,019,1: 5,819,1:	666 7) 4) 11 9 \$ \$ \$ \$ 40 65 0 2 6600) 70 9944555	280 (13,942) (15,540) 49,186 0.82 0.51 0.35 95,319 510 95,829 2,276,007 2,312,318 38,610 14,757 200,000 22,229 94,860 6,822,817 6,628,817	2,- 2,- 2,- 6,-	82,938 348 (113,938) (10,768) 	(13,710 (14,731 (2,296 \$ 0.86 \$ 0.86 \$ 0.54 \$ 0.54)))))))); ; ; ; ; ; ;	144 (13,557) (14,100) (2,197) 51,536 0.84 0.53 2,23 95,966 740 - 96,706 2,428,209 2,420,598 (15,222) 13,838 200,000 92,255 95,012 6,888,821 6,688,821	\$ \$ \$	325,482 916 (55,147) (55,139) (4,493) 211,619 3.38 3.39 2.19 3.33 95,804 6336 96,440 2,220,598 42,351 65,497 200,000 92,255 95,012 6,888,821 6,888,821 6,888,821	\$ \$	(13,859) (14,889) (2,320) 52,269 0.86 0.54 0.38 95,966 802 	\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) 54,862 0.89 0.57 0.40 95,966 862 - 96,828 3,347,490 3,339,879 (15,222) 15,683 200,000 92,255 95,132 (135,150)935,150	2,3,2 2,7,2,7,0	144, 144, 14, 14, 14, 14, 14, 14, 14, 14	2,3,3 2,3,3 1 2	1444 	\$	576
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Noncash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-rael estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: Dase building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted FAD per common share Weighted average common shares and OP units: Wtd. Avg. Shrs and Units Outstanding - Basic Conv. warrants, optns, prf stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Ending debt outstanding Ending Common & OP units - for dividend Ending Common & OP units - for dividend Ending Common & OP units - individend Ending Common & OP units - individend Ending Common & OP units - including perf Equity Market Capitalization - excluding pref Total Market Capitalization - excluding pref	316,7: 3:	66677) 44	280 (13,942) (15,540) 	2,- 2,- 2,- 6,-	82,938 348 (13,938) (10,768) 58,580 0.86 0.87 0.61 0.38 95,966 615 - 96,581 384,909 457,500 40,643 21,680 200,000 92,255 94,285 600,184 880,184 537,684	(13,710 (14,731 (2,298) \$ 0.86 \$ 0.58 \$ 0.58 \$ 0.58 (2,436,660 (2,435,820 (21,686) (15,222 (20,000 (20,255 (6,903,397) (6,703,397) (7,703,	() () () () () () () () () ()	144 (13,557) (14,100) (2,197) 51,536 0.84 0.84 0.53 2.23 95,966 740 2,428,209 2,420,598 (15,222) 13,838 200,000 22,255 95,012 6,688,821 9,309,419	\$ \$ \$	325,482 916 	\$ \$	(13,859) (14,889) (2,320) (2,320) (2,320) (2,320) (3,86) (0,86) (0,54) (0,86) (0,54) (0,86) (0,54) (0,86) (0,54) (0,86) (\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) (2,344) 54,862 0.89 0.89 0.57 0.40 95,966 862 - 96,828 2,347,490 96,828 2,347,490 92,255 93,150 135,150 1475,029	2,3,2 2,7,2,7,0	144, 144, 145, 145, 145, 145, 145, 145,	2,3,3 2,3,3 1 2	1444 	\$	576 (57,378) (60,019) (9,354) 218,502 3.55 3.55 2.26 61,158 95,966 892 95,120 2,345,933 2,308,512 (112,086) 63,195 200,000 92,255 72,48,644 7,048,644 9,557,156
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted FAD per common share Wielghted average common shares and OP units: Wtd. Avg. Shrs and Units Outstanding - Basic Conv. warrants, optns, prf stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Ending debt outstanding Ending debt outstanding Ending common & OP units, fully diluted Equity Market Capitalization - excluding pref Total Market Capitalization - excluding pref Total Market Capitalization Debt/Total Market Cap	316,7: 3.3 (655,9: (699,9: 181,2: \$ 3.3; \$ 1.1: \$ 1.2: 2,239,6: (392,6: 49,1: 2,000,0 6,019,1: 5,819,1: 8,258,8	66 7) 1 1 9 2 3 6 5 0 2 6 5 0 7 7 7 9 9 1 1 1 1 1 1 1 1 1 1 1 1 1	280 (13,942) (15,540) 49,186 0.82 0.51 0.35 95,319 510 	2,- 2,- 2,- 6,-	82,938 348 (13,938) (10,768) 	(13,710 (14,731 (2,296 \$ 0.86 \$ 0.86 \$ 0.54 \$ 0.54 \$ 0.55 \$ 0.33 95,966 (2,435,820 (21,686 15,222 200,000 92,255 6,703,393 6,703,393 6,703,393 93,393,217 26,193)))))))); ; ; ; ; ; ;	144 (13,557) (14,100) (2,197) 51,536 0.84 0.53 22,33 95,966 740 2,428,209 2,420,598 (15,222) 13,838 200,000 92,255 95,012 6,888,821 9,309,419 26,098	\$ \$ \$	325,482 916 - - (55,147) (55,139) (4,493) - 211,619 3.38 3.39 2.19 3.33 95,804 636 - 96,440 63,351 65,497 200,000 92,255 95,012 66,888,821 6888,821 9,909,419 9,909,419 9,909,419	\$ \$	(13,859) (14,889) (2,320) 52,269 0.86 0.54 0.38 95,966 802 -96,768 2,387,850 2,355,101 (65,497) 15,222 200,000 92,255 95,072 7,016,676 6,816,676 9,371,777 25,1%	\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) 54,862 0.89 0.57 0.40 95,966 862 96,828 347,490 (15,222) 15,683 200,000 92,255 95,132 (135,150 (1	2,3,2 2,7,2,7,0	144 144 14526) 115.043) 0.90 0.57 0.40 155.683 15.6	2,3,3 2,3,3 1 2	144 144 15,043) 15,043) 15,043) 0,90 0,58 0,40 16,054 16,606 0982 16,054 16,606 00,005 95,252 95,252 25,252 24,2%	\$	576
Other nonrecuring (Discontinued Ops) Funds from Operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation Ti/LC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/Sh - fully diluted FAD per common share-fully diluted FAD per common share Dividends per share Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, pri stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Ending debt outstanding Ending debt outstanding Ending preferred stock outstanding Ending common & OP units, fully diluted Equity Market Capitalization - excluding pref Total Market Capitalization - excluding pref	316,7: 3:	66 7) 1 1 9 2 3 6 5 0 2 6 5 0 7 7 7 7 8 9 9 1 1 1 1 1 1 1 1 1 1 1 1 1	280 (13,942) (15,540) 	2,- 2,- 2,- 6,-	82,938 348 (13,938) (10,768) 58,580 0.86 0.87 0.61 0.38 95,966 615 - 96,581 384,909 457,500 40,643 21,680 200,000 92,255 94,285 600,184 880,184 537,684	(13,710 (14,731 (2,298) \$ 0.86 \$ 0.58 \$ 0.58 \$ 0.58 (2,436,660 (2,435,820 (21,686) (15,222 (20,000 (20,255 (6,903,397) (6,703,397) (7,703,)))))))); ; ; ; ; ; ;	144 (13,557) (14,100) (2,197) 51,536 0.84 0.84 0.53 2.23 95,966 740 2,428,209 2,420,598 (15,222) 13,838 200,000 22,255 95,012 6,688,821 9,309,419	\$ \$ \$	325,482 916 	\$ \$	(13,859) (14,889) (2,320) (2,320) (2,320) (2,320) (3,86) (0,86) (0,54) (0,86) (0,54) (0,86) (0,54) (0,86) (0,54) (0,86) (\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) (2,344) 54,862 0.89 0.89 0.57 0.40 95,966 862 - 96,828 2,347,490 96,828 2,347,490 92,255 93,150 135,150 1475,029	2,3,2 2,7,2,7,0	144, 144, 145, 145, 145, 145, 145, 145,	2,3,3 2,3,3 1 2	1444 	\$	576 (57,378) (60,019) (9,354) 218,502 3.55 3.55 2.26 61,158 95,966 892 95,120 2,345,933 2,308,512 (112,086) (31,195 200,000 92,255 72,48,644 7,048,644 9,557,156
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Noncash interest exp. (APB 14) Add: Delerred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Striaght-line rents/FAS141 Less: Dase building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted SWid-May Shrs and Units Outstanding - Basic Conv. warrants, optns, pri stock, debentures Convertible Notes Wid-May Shrs at Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Ending debt outstanding Ending common & OP units - for dividend Ending preferred slock outstanding Ending Common & OP units, fully diluted Equity Market Capitalization - including pref Equity Market Capitalization - sexuding pref Total Market Capitalization - sexuding pref Total Market Capitalization - sexuding pref Total Market Capitalization Debt/Total Market Cap Ratios:	316,7: 3:	66 7) 4) 1 1 9 \$ 66 5 0 2 66 00) 7 7 0 9 4 4 5 5 1 1 1 1 1 1 1 1 1 1 1 1 1	280 (13,942) (15,540) 	2,- 2,- 2,- 6,-	\$2,938 348 (13,938) (10,768) 58,580 0.86 0.87 0.61 0.38 95,966 615 - 96,581 384,909 457,500 40,643 21,680 200,000 92,255 94,886 080,184 80,184 537,684 25,8% 27,9%	(13,710 (14,731 (2,298) \$ 0.88 \$ 0.88 \$ 0.54 \$ 0.38 95,966 677 96,643 2,446,666 2,435,820 (21,688 15,222 200,000 92,255 94,948 6,903,399 6,703,397 9,339,217 26,19 28,29))))))); ; \$ \$ \$; \$ \$	144 (13,557) (14,100) (2,197) 51,536 0.84 0.84 0.53 95,966 740 2,428,209 2,420,598 (15,222) 13,838 200,000 92,255 6,888,821 9,309,419 26,0% 28,1%	\$ \$ \$	325,482 916 	\$ \$	(13,859) (14,889) (2,320) (2,320) 0.86 0.86 0.54 0.38 95,966 802 2-96,768 2,387,850 2,355,101 (65,497) 15,222 200,000 92,255 95,072 7,016,676 8,816,676 9,371,777 25,1% 27,3%	\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) 54,862 0.89 0.87 0.40 95,966 862 96,828 347,490 339,879 (15,222) 15,683 200,000 92,255 95,132 ,135,150 935,150 94,75,029 24,7% 26,8%	2,3,2 2,7,2,7,0	144 - 1.526) 15.043) (2.344) - 55.533	2,3,3 2,3,3 1 2	144 - 14 - 14 - 14 - 14 - 14 - 14 - 14	\$	576
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted FAD per common share Dividends per share Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Com-warrants, optns, prf stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Additional debt issued (retired) during period FAD-Dividend Ending Common & OP units - for dividend Ending Common & OP un	316,7: 3.7 3.7 665,9: 665,9: 181,2: \$ 3.3. \$ 1.1 92,7:	66677)4) 1199\$\$\$24\$\$\$\$00770994455511%%%	280 -1 (13,942) (15,540) -2 -3 -49,186 0.82 0.51 0.35 95,319 510 -2 95,829 2,276,007 2,312,318 38,610 14,757 200,000 2,229 94,860 6,828,817 6,628,817 9,141,135 25,3% 27,5% 8.0	2,- 2,- 2,- 6,-	82,938 348 (13,938) (10,768) 	(13,710 (14,731 (2,296 \$ 0.86 \$ 0.86 \$ 0.54 \$ 0.55 \$ 0.36 2,446,660 2,435,822 (21,686 15,222 200,000 22,255 94,945 6,903,397 6,703,397 9,339,217 26,192 6,703,397 9,339,217)))))));; ;; \$ \$ \$; \$ \$; \$ \$; \$ \$; \$ \$;	144 (13,557) (14,100) (2,197) 51,536 0.84 0.53 22,33 95,966 740 - 96,706 2,428,209 2,420,598 (15,222) 13,838 200,000 22,255 95,012 6,888,821 6,688,821 9,698,419 26,098 28,198 6,888,821 6,688,821	\$ \$ \$	325,482 916 - - - (55,147) (55,139) (4,493) - 211,619 3.33 95,804 636 - - 96,440 2,383,946 2,420,598 42,351 65,497 200,000 92,252 95,012 6,888,821 6,688,821 9,809,419 96,688,821 9,809,419 96,688,821 9,809,419 92,81%	\$ \$	(13,859) (14,889) (2,320) 52,269 0.86 0.54 0.38 95,966 802 	\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) 54,862 0.89 0.57 0.40 95,966 862 96,828 2347,490 339,879 (15,222) 15,683 200,000 92,255 95,132 (135,150 9935,150 475,029 24.7% 26.8%	2,3,2 2,7,2,7,0	1444 14,526) 15,043) 16,343) 17,543 18,543 18,543 19,966 922 19,966 922 15,683 24,196 15,683 00,000 15,683 00,000 15,683 00,000 15,683 00,000 15,683 00,000 16,683 16,	2,3,3 2,3,3 1 2	1444	\$	576
Other nonrecurring (Discontinued Ops) Funds from operation (FFC) Add: Noncash financing charges Add: Noncash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Striaght-line rents/FAS141 Less: Dase building capital costs Less: Other Funds available for distribution (FAD) Frop er common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted FAD per common share Weighted average common shares and OP units: Wtd. Avg. Shrs and Units Outstanding - Basic Conv. warrants, optns, pri stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Ending debt outstanding Ending Common & OP units, fully diluted Ending preferred stock outstanding Ending Common & OP units, fully diluted Equity Market Capitalization - including pref Equity Market Capitalization - excluding pref Total Market Capitalization - excluding pref Fixed charges coverage	316,7: 3:	66 7) 4) 19 22 40 65 0 26 00) 70 99 45 55 11 % % 53	280 (13,942) (15,540) 	2,- 2,- 2,- 6,-	82,938 348 (13,938) (10,768) 58,580 0.86 0.87 0.61 0.38 95,966 615 - 96,581 384,909 457,500 40,643 21,680 200,000 92,255 94,285 600,184 880,184 537,684 27,9%	(13,710 (14,731 (2,298) \$ 0.86 \$ 0.54 \$ 0.54 \$ 0.33 95,966 677))))))); ;; \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	144 	\$ \$ \$	325,482 916 (55,147) (55,139) (4,493) 211,619 3.38 3.39 2.19 3.33 95,804 636 96,440 2,383,946 2,420,593 42,351 65,497 200,000 92,255 96,012 6,688,821 9,309,419 1,9309,419 1,9309,419 28,11%	\$ \$	(13,859) (14,889) (2,320) (2,320) (2,320) (2,320) (3,86) (0,54) (0,54) (0,54) (0,54) (0,54) (1,64) (\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) (2,344) 0.89 0.89 0.57 0.40 95,966 862 - 96,828 2,347,490 93,339,879 (15,222) 15,883 200,000 92,255 93,132 135,150 1475,029 24.7% 26.8%	2,3,2 2,7,2,7,0	144 - 1. 14,526) 15,043 30,090 0.90 0.57 0.40 922 2- 96,888 32,037 24,196 0.149 95,966 922 2- 96,688 5.65 6.56 6.56 6.56 6.56 6.56 6.56 6	2,3,3 2,3,3 1 2	1444 -14648) 115,043) (2,344) -0,90 0,58 0,40 95,966 982 -15,683 16,606 0,000 92,255 248,644 457,156 624,2% 6.7 5.5	\$	576 (57,378) (80,019) (9,354) (9,354) - 218,502 3,555 3,555 2,266 1,58 95,966 892 - 95,120 2,345,933 2,308,512 (112,086) (31,195 200,000 92,255 95,252 7,248,644 9,557,156 24,2% 26,2% 6,8 6,6
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted FAD per common share Widghted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, prf stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending common & OP units. For dividend Ending preferred stock outstanding Ending common & OP units, fully diluted Equity Market Capitalization - excluding pref Total Market Capitalization Debt/Total Market Cap Debt+Preferred/Total Market Cap Enties Coverage Fixed charges coverage Dividend Yield	316,7: 3:	66 7) 4) 11 19 9 \$ 19 19 19 19 19 19 19 19 19 19	280 (13,942) (15,540) 49,186 0.82 0.51 0.35 95,319 510 2,276,007 2,312,318 38,610 14,757 200,000 92,229 4,860 6,828,817 9,141,135 27,5% 8.0 6,2 2,0%	2,- 2,- 2,- 6,-	82,938 348 (113,938) (10,768) 	(13,710 (14,731 (2,296) \$ 0.86 \$ 0.86 \$ 0.54 \$ 0.54 \$ 0.55 \$ 0.55 \$ 0.54 \$ 0.54	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1444 (13,557) (14,100) (2,197) 51,536 0.84 0.83 95,966 740 2,428,209 2,420,598 (15,222) 13,838 200,000 92,255 95,012 6,888,821 9,309,419 26,000 28,1% 6.88 6.88	\$ \$ \$	325,482 916 (55,147) (55,139) (4,493) 211,619 3.38 3.39 95,804 6336 96,440 2,420,598 42,351 65,497 200,000 92,255 95,012 6,888,821 6,688,821 6,688,821 9,688,821 9,399,419 26,688,821 9,399,419 26,688,821 5,688,821 5,688,821 5,688,821 5,688,821 5,688,821 5,888,821	\$ \$	(13,859) (14,889) (2,320) (2,320) (2,320) (2,320) (3,20) (3,20) (3,20) (3,20) (3,20) (3,20) (4,40) (\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) 54,862 0.89 0.57 0.40 95,966 862 96,828 3347,490 (15,222) 15,683 200,000 92,255 95,132 (135,150 (2,3,2 2,7,2,7,0	1444 -1, 14, 526) 15, 043) 25, 533 35, 533 0, 90 0, 90 0, 57 0, 40 95, 966 922 -96, 888 32, 037 24, 196 15, 683 00, 000 61, 198 30, 345 66, 149 30, 345 68, 556 68, 556 68	2,3,3 2,3,3 1 2	1444-648) (24,24%) (2,344) (2,344) (2,344) (3,54,46) (4,6	\$ \$	576
Other nonrecurring (Discontinued Ops) Funds from operation (FFC) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Inpairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: Dase building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted FAD per common share Dividends per share Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, prf stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Ending debt outstanding Ending common & OP units, fully diluted Equity Market Capitalization - excluding perf Total Market Capitalization - excluding pref Equity Market Capitalization - excluding pref Total Market Capitalization Debt/Total Market Cap Enterest Coverage Exited Capitalization FFO Growth	316,7: 3:	66 7) 1 1 9 \$ \$ 4 5 0 2 6 6 5 0 2 6 6 5 0 1 1 1 1 1 1 1 1 1 1 1 1 1	280 (13,942) (15,540) 	2,- 2,- 2,- 6,-	82,938 348 (13,938) (10,768) 	(13,710 (14,731 (2,298) \$ 0.86 \$ 0.56 \$ 0.56 \$ 0.56 \$ 0.56 \$ 0.56 \$ 0.56 \$ 0.38 95,966 677 	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	144 (13,557) (14,100) (2,197) 51,536 0.84 0.83 2.23 95,966 740 2,428,209 2,420,598 (15,222) 13,838 20,000 92,255 95,012 6,688,821 9,309,419 9,309,419 9,309,419 8,86 12,6% 5,6% 12,6% 5,6%	\$ \$ \$	325,482 916 	\$ \$	144 (13,859) (14,889) (2,320) 0.86 0.86 0.54 0.38 95,966 802 - 96,768 2,387,850 2,387,850 2,387,850 2,355,107 15,222 200,000 92,255 95,072 7,016,676 8,816,676 9,371,777 25,1% 27,3% 6.9 6.9 6.9 6.9 6.9 6.9 6.9 6.9	\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) (2,344) (2,344) (2,344) 95,966 862 	2,3,2 2,7,2,7,0	144. 14.526) 15.043) 0.90 0.90 0.57 0.90 0.57 0.90 95.966 922 24.196 06.149	2,3,3 2,3,3 1 2	1444 15,043) 15,043) 15,043) 15,043) 15,043) 15,837 0,90 0,90 98,22 96,948 16,354 08,512 96,948 24,2% 26,2% 6,7 15,5 26,7 17,7 18,5	\$ \$	576 (57,378) (60,019) (9,354) 218,502 3.55 3.55 3.55 2.26 2.36 2.308,512 (112,086) 63,195 200,000 92,255 95,252 7,248,644 7,048,644 9,557,156 24,2% 68,66 24,2% 68,66 2.1% 5.6%
Other nonrecurring (Discontinued Ops) Funds from operation (FFO) Add: Noncash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Impairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Striaght-line rents/FAS141 Less: 2nd generation TVLC Less: base building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted FAD per common share Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, prf stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Additional debt issued (retired) during period FAD-Dividend Ending Common & OP units, fully diluted Equity Market Capitalization - including pref Equity Market Capitalization - excluding pref Total Market Capitalization - excluding pref For growth FFO payout ratio - fully diluted	316,7: 3.3 (655,9: (659,9:	66 7) 1 1 9 \$ \$ \$ \$ 0 2 6 6 0) 7 0 9 4 5 5 1 1 % % 6 5 3 % % % % % 6 6 5 1 0 2 6 0 0 7 0 9 4 5 5 5 1 1 % % 6 6 5 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	280 (13,942) (15,540) 	2,- 2,- 2,- 6,-	82,938 348 (13,938) (10,768) 	(13,710 (14,731 (2,292 \$ 0.86 \$ 0.86 \$ 0.54 \$ 0.54		1144 (113,557) (14,100) (2,197) 51,536 0.84 0.83 0.53 2.23 95,966 740 96,706 2,420,598 (15,222) 13,838 200,000 92,255 95,012 6,888,821 9,309,419 9,309,419 9,309,419 6,88 6,86 12,6% 5,0% 264,9% 264,9%	\$ \$ \$	325,482 916 - - (55,147) (55,139) (4,493) - 211,619 3.33 95,804 636 - - 96,440 9,339,419 2,255 95,012 6,888,821 9,295 9,309,419 26,0% 28,1% 7.2 5,88 4,7% (0,6%) 98,4% (0,6%) 98,4%	\$ \$	(13,859) (14,889) (2,320) (2,320) (2,320) (2,320) (3,00) (3,00) (3,00) (3,00) (3,00) (4,00) (5,497) (65,497) (65,497) (65,497) (65,497) (7,016,676 (8,816,676 (8,716,	\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) 54,862 0.89 0.57 0.40 95,966 862 96,828 347,490 339,879 (15,222) 15,883 200,000 92,255 95,132 1,135,150 935,150 1,475,029 24,7% 26,8%	2,3,2 2,7,2,7,0	1444 -14,526) 15,043) (2,344) -55,533 0,90 0,90 0,57 -96,888 32,037 24,196 32,037 24,196 6,883 00,000 6,149 6,685 6,149 6,149 6,149 6,149 6,149 6,149 4,7% 6,149 4,7% 6,149 6,144 4,4%	2,3,3 2,3,3 1 2	1444	\$ \$	576
Other nonrecurring (Discontinued Ops) Funds from operation (FFC) Add: Noncash financing charges Add: Non-cash interest exp. (APB 14) Add: Deferred compensation/revenue Add: Inpairment charges Add: Non-real estate depreciation Less: Gain (loss) on debt repurchases Less: Straight-line rents/FAS141 Less: Dase building capital costs Less: Other Funds available for distribution (FAD) FFO per common share-fully diluted Normalized FFO/sh - fully diluted Normalized FFO/sh - fully diluted FAD per common share Dividends per share Weighted average common shares and OP units: Wtd. Avg Shrs and Units Outstanding - Basic Conv. warrants, optns, prf stock, debentures Convertible Notes Wtd. Avg. Shrs & Units Outstanding - Diluted Balance Sheet Information: Average debt outstanding Ending debt outstanding Ending debt outstanding Ending common & OP units, fully diluted Equity Market Capitalization - excluding perf Total Market Capitalization - excluding pref Equity Market Capitalization - excluding pref Total Market Capitalization Debt/Total Market Cap Enterest Coverage Exited Capitalization FFO Growth	316,7: 3:	66 7) 1 1 9 \$ \$ \$ \$ 0 2 6 6 0) 7 0 9 4 5 5 1 1 % % 6 5 3 % % % % % 6 6 5 1 0 2 6 0 0 7 0 9 4 5 5 5 1 1 % % 6 6 5 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	280 (13,942) (15,540) 	2,- 2,- 2,- 6,-	82,938 348 (13,938) (10,768) 	(13,710 (14,731 (2,298) \$ 0.86 \$ 0.56 \$ 0.56 \$ 0.56 \$ 0.56 \$ 0.56 \$ 0.56 \$ 0.38 95,966 677 		144 (13,557) (14,100) (2,197) 51,536 0.84 0.83 2.23 95,966 740 2,428,209 2,420,598 (15,222) 13,838 20,000 92,255 95,012 6,688,821 9,309,419 9,309,419 9,309,419 8,86 12,6% 5,6% 12,6% 5,6%	\$ \$ \$	325,482 916 	\$ \$	144 (13,859) (14,889) (2,320) 0.86 0.86 0.54 0.38 95,966 802 - 96,768 2,387,850 2,387,850 2,387,850 2,355,107 15,222 200,000 92,255 95,072 7,016,676 8,816,676 9,371,777 25,1% 27,3% 6.9 6.9 6.9 6.9 6.9 6.9 6.9 6.9	\$ \$ \$ 2 2 2	1444 (14,345) (15,043) (2,344) (2,344) (2,344) (2,344) 95,966 862 	2,3,2 2,7,2,7,0	144. 14.526) 15.043) 0.90 0.90 0.57 0.40 95.966 922 24.196 06.149	2,3,3 2,3,3 1 2	1444 15,043) 15,043) 15,043) 15,043) 15,043) 15,837 0,90 0,90 98,22 96,948 16,354 08,512 96,948 24,2% 26,2% 6,7 15,5 26,7 17,7 18,5	\$ \$	576 - (57,378) (60,019) (9,354) - 218,502 3.55 3.55 3.55 2.26 2.15,502 95,120 2,345,933 2,308,512 (112,086) 63,195 200,000 92,255 95,252 7,248,644 7,048,644 9,557,156 24,2% 26,2% 6.86 2.1% 5.66 2.1%

⁽¹⁾ Assumes midperiod acquisition or development revenue convention.
(2) Net operating income (NOI) is defined as rental revenue plus tenant reimbursements less property-level operating expenses and real estate taxes. Sources: Company data and Stifel estimates.

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For a price chart with our ratings and any applicable target price changes for KRC go to http://sf.bluematrix.com/bluematrix/Disclosure?ticker=KRC

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